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STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

PUBLIC HEARING ON UNORGANIZED BOROUGH REVIEW

February 8, 2003

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P R O C E E D I N G S

CHAIR WARING: We will then convene this meeting of the Local Boundary Commission to order. It's approximately 9:00 a.m. teleconference. Mr. Bockhorst, will you please call the roll?

MR. BOCKHORST: Mr. Waring?

CHAIR WARING: Here.

MR. BOCKHORST: Commissioner Lynch?

COMMISSIONER LYNCH: Here.

MR. BOCKHORST: Commissioner Tesche?

COMMISSIONER TESCHE: Here.

MR. BOCKHORST: Commissioner Gardner? Commissioner Harcharek?

COMMISSIONER HARCHAREK: Here.

CHAIR WARING: We have four Commissioners present and we have a quorum and can proceed. We believe Commissioner Gardner is -- who was traveling from Juneau was, perhaps, delayed by the weather. We're trying to contact her and connect her into the teleconference. In the meantime we will proceed.

We have a proposed agenda. Is that acceptable to the Commission? Then we will proceed on that agenda.

1 I have a few quick remarks to make before we do proceed to the
2 teleconference sites to take testimony. I'd like first to take a moment to
3 address the teleconference sites. We have 14 separate sites that will be
4 connected plus opportunity to call in at large. It is a challenge to
5 organize a teleconference of that sort. We have done our best to structure
6 it so that members of the public at various locations will have a certain
7 time, a time during which they know they will have an opportunity to address
8 the conference. Those are laid out in the notice of public hearing
9 identifying times and places at which residents of given areas might address
10 the Commission.

11 There are two matters on which I would ask for assistance and
12 cooperation from public members who wish to address the Commission at those
13 telesites, legislative office, and information office and other sites, and
14 that is please, at each site if you will arrange for some one person to be
15 more or less traffic controller and together work out with that person in
16 what order parties at that location will address the Commission. That will
17 very much help us to proceed in an orderly way. And I will trust that those
18 persons at the various sites can best work out what order they ought to
19 testify.

20 I'd also ask that given the fact that we do expect a substantial amount
21 of public comment on the business of the day that people honor the three
22 minute limitation on public comment. We will have a little dinger that will
23 give a quiet sound when you reach two and a half minutes in your presentation
24 and three minutes, and in order that everyone has a fair chance when I
25 suspect we will have many people trying to address the Commission, we would
26 ask that individuals do honor that three minute limit.

1 We do have other avenues for communicating views to the Commission on
2 this matter. We've already received a substantial amount of e-mail and
3 conventional mail comment on the Commission's draft reports. If there is
4 anyone who would wish to say more than their three minutes allows they are
5 certainly welcome by e-mail or by other mail to forward those comments to the
6 Commission. All the public comments we've received so far and received by
7 February 14th, and that includes all the commentary today which will be
8 transcribed as the previous Commission meetings on this matter have been,
9 will be transcribed and forwarded as part of the public record along with the
10 Commission's final findings to the Legislature on February 19th so that we
11 will not screen or filter any of the comment that we receive. They will in
12 the form they're received will be forwarded to the Legislature along with
13 anything that the Commission itself adopts as its report. Anything we
14 receive after February 14th we will also forward. And anything we receive in
15 a reasonable period we will also forward to the Legislature for their
16 information.

17 Let me turn a little more directly to the business of the day. The
18 Commission will be taking public comment on its public review draft of the
19 report that the Legislature directed the Commission to prepare and submit by
20 February 19th of this year. It is worth emphasizing exactly what it is and
21 also what it is not that the Legislature directed the Commission to do. In
22 paraphrase, the Legislature directed the Commission to review conditions in
23 the unorganized borough and to report back to the Legislature any areas that
24 the Commission identifies that meet the standards for borough incorporation.
25 These are the various standards are now in the Constitution or in statute or
26 in the Commission's regulations.

27 We view this direction from the Legislature as essentially fact finding
28 study. We are to go look at the facts as -- the present facts and measure

1 them against the standards for incorporation, the same standards that
2 existing boroughs have had to meet, and simply report to the Legislature any
3 -- if any and which regions in our judgment do now satisfy borough
4 incorporation standards. The Legislature explicitly did not ask us to make
5 recommendations or propose boroughs or to take an opinion poll on whether
6 boroughs are popular. In fact, there is wording in the legislation that
7 makes clear that the Commission's findings are nothing of the sort of a
8 proposal or recommendation for borough incorporation.

9 The question before the Commission in this report is whether the areas
10 or any of these areas do satisfy, do meet the standards for borough
11 incorporation.

12 MS. STANKLIFF: Mr. Chairman?

13 CHAIR WARING: Commissioner Lynch?

14 MS. STANKLIFF: Mr. Chairman, this is Sue Stankliff (ph) with
15 Representative Carl Morgan's office in Juneau. When appropriate I'd like to
16 ask you to amend your agenda.

17 CHAIR WARING: To amend the agenda?

18 MS. STANKLIFF: Yes, sir, to allow Representative Carl Morgan to
19 make a statement on behalf of his constituents to reduce some of the time
20 that -- in light of the fact that they're given only 15 minutes per site be
21 made (ph) an effort to allow for more people. And so he has a list and a
22 statement that he would just like to be able to read to you when appropriate.

23 CHAIR WARING: Thank you, Ms. Sutliff (sic). I will give, of
24 course, the Representative, Representative Morgan, a chance before we begin
25 the taking of public comment.

1 MS. STANKLIFF: Thank you, sir.

2 CHAIR WARING: Well, what the Commission will do today is take
3 public comment. We will not be acting on the document at this time. We will
4 continue through the schedule that has been published and if at the end of
5 that time there are any remaining individuals who wish to address the
6 Commission we will continue the meeting to take that comment. I expect that
7 we may or may not have some Commission discussing depending on the hour at
8 which the public comment is concluded. We will -- we plan to recess the
9 meeting and reconvene on Tuesday at 9:00 a.m. at which time the Commission
10 will take up the matter and decide what -- and discuss and approve with any
11 revisions that the Commission feels they need to make before we finalize the
12 report. We will forward it to the Legislature by February 19th.

13 Let me now with the concurrence of the Commission, Representative
14 Morgan, invite you to tell us what is on your mind, please.

15 REP. MORGAN: Thank you. Thank you for the opportunity to speak
16 on behalf of my constituents. And for the record my name is Representative
17 Carl Morgan. I'm here to testify on behalf of the constituents of my
18 district, House District number 6. Our message to the Local Boundary
19 Commission is very simple. After reviewing the draft, Chapter 2 and 3, it is
20 abundantly clear that 15 minutes per LIO, an outlet (ph) site, is not enough
21 time. It's not enough time for all my constituents to testify, to give their
22 testimony and voice their opposition. I have carefully reviewed both the
23 census information and a draft report.

24 Once again, I want to thank you and all those on teleconference. This
25 is only a study. Only a report. Not a recommendation. And I repeat, it's
26 not a recommendation.

1 The information contained in the 2000 census is flawed. I will give
2 only two of many examples. (Indiscernible) page 4 of 25, Chistochina,
3 Chitina -- excuse me, Chitina, population 104 with 32.7 percent unemployment.
4 Gakona population two. Zero percent unemployment. If this is the type of
5 information -- if this information is incorrect how much more is incorrect?

6 Ladies and gentlemen, the Governor does not need this controversy in
7 the middle of his agenda. (Indiscernible). To develop our resources and
8 provide a stable and vibrant economy I ask that his plan be given a chance to
9 work first. I ask that people be given the right to choose when the time is
10 right based on local economy. There are other ways to contribute to
11 education besides building government and these need to be further explored.
12 (Indiscernible) contributions need to be appropriately recognized. My
13 constituents don't need another burden placed on their community during these
14 troubled times. There are higher priorities for our state. Our Constitution
15 mandates education, but it -- but does it really mandate more government for
16 the sole purpose of taxation.

17 The following names are those of my constituents that have contacted me
18 to speak on their behalf. My constituents are from the communities of the
19 Copper River Basin and the Upper Tanana Valley. And I may add, this is only
20 a few of the names from the Copper River and Upper Tanana Valley. For the
21 sake of my (indiscernible) butchering some of the names that I've got, I'm
22 going to read the names at this time and I will -- I will have my staff read
23 these names at this time. Thank you.

24 CHAIR WARING: Thank you, Representative Morgan. Commissioner
25 Tesche, I believe one of the Commissioners had a question he wished to
26 address to you, Representative Morgan.

1 COMMISSIONER TESCHE: Yes. You know, more of a thanks to the
2 Representative for taking the time on behalf of his constituents to come
3 forward and help make sure that the Commission understands their concerns.
4 As one Commissioner I just wanted to point out that we had prepared a
5 transmittal letter to the public with the draft report that's been prepared.
6 And I just wanted to sort of paraphrase from that because I think it's very
7 important in light of the Representatives comments that the submission of
8 this draft report to the Legislature is something that's required by state
9 law. And of course, we have a very specific time frame that the Legislature
10 through the bill passed last session gave us with which to complete this
11 task. But by complying with the legislative directive this by no means
12 constitutes any formal action or effort by the Local Boundary Commission to
13 incorporate or to initiate any formal process for any incorporation of any
14 new borough or local government.

15 Certainly the procedures for formation of boroughs are set out in state
16 law. And those procedures require, among other things, extensive written and
17 verbal notice to areas affected, actual site visits by the Local Boundary
18 Commission, and certainly formal public hearings in the area proposed for
19 incorporation with more than adequate notice and an opportunity for everybody
20 to be heard without unreasonable time constraints. None of these procedures
21 have taken place with respect to the study that the Commission is preparing
22 right now at the request for the Legislature.

23 We were fortunate, I think, and I certainly want to thank the staff of
24 the LIO and other staffers of the Legislature to have a limited public
25 hearing set up so that we could take some testimony. That's what we're doing
26 today. And we certainly appreciate any testimony we can get on this, but I
27 do want to agree quite strongly with the Representative that this is by no
28 means any sort of formal action by the Commission, or any indication by the

1 Commission as to any policy direction that should be taken by the state or
2 individuals in these areas. Those are left to the Legislature, of course,
3 and to the individuals in those areas. Not this Commission. So, you know, I
4 want to thank the Representative for coming forward on behalf of his
5 constituents.

6 REP. MORGAN: And I thank you. And without any further delay I'm
7 leading up to 15 minutes so I'll have my staff read the names of some of my
8 constituents that are -- that (indiscernible) testify (indiscernible) read
9 their names.

10 MS. STANKLIFF: Thank you, Mr. Chairman. For the record my name
11 is Sue Stankliff, staff to Representative Morgan, House District 6.

12 The names are as follows: Judy Thurman, Patricia Ryan, Ruth McHenry,
13 Joann Butka, Kent Shrewberry, George Butka, Charles Benjamin, Janelle
14 Ecklund, Terry Gilmore, Lilly Gilmore, Dee Wagna, Mike Michell Wagna, Denise
15 -- Dennis Brown, Sheryl Krier, Kay Wilson, Gary and Jan Schramk, Judy
16 Pierson, Roy Johnson, Raymond Burttee, Richard Rondo, Robert and Laneta Losee,
17 Bill Weaver, Bill Sutton, Harvey Letters, Dean Wilson, Jr., Trish Wilson,
18 Craig Michael, Kathy Michael, Paul Bood, Steve Donaldson, Steve Brittain,
19 Mary Campbell, Marie and Fred Drew, Jason Williams, Carol Hanz, Duane Smith,
20 Rick Ackerman, Sheila Ackerman, Sheryl (indiscernible), Katina Sutton, Joe
21 William, Alpine Kameroff, William Lamb, Stan Lightwood, Barbara Chichen, Jack
22 and Susan Smith, Larry Trumble, Paul Bowman, Todd Wilson, Douglas Bowman,
23 Geraldine Cole, Ulsa Cole, Marie Lambert, Marlene Roy, Sharon Lane, Kristine
24 Taylor, Michael Winter, Chris Winter, Allen Misch, Liz Labata, Bob Leasey,
25 Scott Hale, Terry Hale, Jim Williams, Sandy Williams, Gary Hutsinger, Michael
26 Swisher, Ed Jeroe, Kay Brittain, Bill Sutton, Eric Nashland, Alpine Carroll,
27 Katy Campbell, Alex Cook, Walter Brown, Rick Wilson, Jay and Debbie Capp,

1 Judy Hutley, Lonnie and Tammy Boot, Paul Jerone, Wayne Schaffer, Sheryl and
2 Keith Webster, John and Edith Boosen, Darrin and Rosie Nelson, Jamal and
3 Daryl Ann Coleman, Olie and Linda Bate, Thelma Shrink, Cole and Cristy Ellis,
4 Isaac Ellis, Ron Senior and Ann Parsley, Owen Parsley, Duane and Lena Craig,
5 Deedee Dunk, Mary France DeHart, Tora Harbow, Jean and Chris Wilcox, Roy
6 Hancock, Ray and Bev Abraham, Steve and Joy Hoff, Richard Hart, Bill Seiber,
7 Susie Wheatley, John Ferris, Jim and Marie Morris, Randy and Nancy Schroker,
8 Mike and Cindy Quentin, George Midbank, Nancy Dooley, Perk and Jennie Ellis,
9 Amanda Ellis, Ron Parsley, Jr., Pam Kurz, Bob and Brenda Harrington, Jim and
10 Kathy Knighton, Brad Brugy, Doug and Judy Frederick, Laura Hancock Abraham,
11 James Abraham, Roy Burffet, Sharon Mark, Michael Ackley, Michelle Ackley,
12 Steve Barns, Les and Ruby Hart, Deidre Higgins, Joe Riley, Harry and Dora
13 O'Shay, John Griesee, Henry and Margaret Stock, Lorraine Ellis, Jessie Ellis,
14 Wayne Parsley, Larry Yules, Steve and Lea DeWitt, Doc and Deedee Taylor,
15 David Springer, Wayne McMurray, Calvin Hancock, Buddy Brown, that's Harold
16 Buddy Brown, John Kowalski, John Winger, Josuha Winger, Marlene Winger, John
17 Kunick, Dennis Brown, Rita Brown, Maureen Kimberland, Jane Brown, Brad
18 Kimberland, Marty Graham, Phillip and Linda Rowe, Larry and Alice Hand, Todd
19 Hand, Mark and Karla Summerville, Hank and Rosalee Osborne, Emory Osborne,
20 Bill and Maryann Williams, Sy and Carol Neely, Sharon Daniel, Dorothy Evans,
21 Ed Tollman, Jerry Tollman, Peggy Sutton, Jeff and Charlotte Mosgrove, John
22 Down, Allen LaMaster, Terry and Grace Brigner, Ray and Chris Edwards, Dick
23 and Leila Scholtz, Maurice and Lisa Scholtz, Frank and Sue Ensminger, Debbie
24 Mear, Bryan and Vanessa Thompson, Dave and Sue Stankliff, Glen Marunde, Russ
25 and Sheila Hoffman, James and Donna Paterole, Nat Krinkey, Terry Hand, Jamie
26 Jame, Mary Wagner, Betty Goodlatoff, Larry Nightingale, John Nightingale.
27 Larry Hulsketter, Keith Swisher, Connie Scherer, J.M. Hendricks, Diane Malek,
28 Rodney Lamper, Mike and Judy Brandt, Jim and Cindy Ainsworth.

1 REP. MORGAN: Thank you, Mr. Chair. This again, is for the
2 record, Representative Carl Morgan. This is just a few names but I have
3 traveled through the district -- throughout my district and everyone I've
4 spoken to have all said they were not in favor of a borough at this time,
5 yes, there is talk that at the right time it can be possible. But in my
6 travels throughout my part of my district they not only say no, but they did
7 tell me hell no on boroughization. And on behalf of them I will say in Yupik
8 (Native language). And I'll translate it in English, it's bad, at this time
9 it's not good. So I'd like to thank you for the time, Mr. Chairman, for
10 giving me the 15 or so minutes to speak on behalf of my constituency. Thank
11 you.

12 CHAIR WARING: Thank you, Representative Morgan. We will, of
13 course, forward on to the Legislature the information you have provided us.
14 Again, I would emphasize the point that you just made, this is not a decision
15 document of any sort by the decision making document that the Commission will
16 be forwarding and the Legislature has reserved for itself the responsibility
17 of deciding whether any borough incorporation might be advisable at this time
18 or any other time. Thank you.

19 By my clock there were 14 minutes absorbed by Representative Morgan on
20 behalf of his constituency. What I will do.....

21 SEN. WILKEN: Mr. Chairman?

22 CHAIR WARING: Yes.

23 SEN. WILKEN: Good morning, this is Gary Wilken calling from
24 Juneau.

25 CHAIR WARING: Oh, good morning, Senator.

1 SEN. WILKEN: I wanted to also make about a one minute opening
2 statement if I could, and then I'll be listening in the rest of the day.

3 CHAIR WARING: Please do. Thank you, Senator.

4 SEN. WILKEN: Thank you, Mr. Chairman. And I won't read the list
5 of the 32,000 tax paying Fairbanksans that I represent. Mr. Chairman, the
6 people who I represent go to work every day and pay their fair share for
7 services rendered. This issue is not about penalizing Alaskans that are
8 carrying their fair share. It's about those that hide from government
9 surfacing with their hands extended palms up only when they need their next
10 monetary fix to continue their programs which are funded, in part, by the
11 hard-working Fairbanksans that I represent.

12 I expect and I'll continue to expect that those that have the capacity,
13 and let me say that again, that those that have the capacity to do the same
14 but don't today because they don't want more government step up to the plate.
15 They should be asked and expected to shoulder their share of the
16 responsibility, not just for the sake of government but for the cause of good
17 government. I simply ask that if possible each carry their fair share.

18 Thank you for your work today and for coming out on a Saturday to have
19 this teleconference. I look forward to the discussion and the discussion
20 that will continue from this day on. Thank you.

21 CHAIR WARING: Thank you, Senator Wilken. We will then
22 approximately 15 minutes behind our schedule move to the Unalaska City
23 teleconference site. I will if time is needed to give the Aleutians West
24 Regions their full allotment, adjust the schedule. Is there one person at
25 that teleconference site who has been designated as traffic controller? Are
26 you connected at that site?

1 Is there anyone at the Unalaska City Hall site? Do you know if we have
2 any telephone calls from that area?

3 UNIDENTIFIED VOICE: There's one, she's not on line.

4 CHAIR WARING: Pardon me?

5 UNIDENTIFIED VOICE: There's one person that's listed, but she's
6 not on line right now.

7 CHAIR WARING: Okay. So we don't have any connection active with
8 that teleconference site?

9 UNIDENTIFIED VOICE: Not at the present time.

10 CHAIR WARING: Okay. Apparently at this time there is no one
11 present at the Unalaska teleconference site. And we have no pending calls
12 from residents of that region. That being the case I will move on to the
13 Upper Tanana Basin or the Tok LIO site and ask if they are prepared ahead of
14 schedule to begin addressing the Commission? Is there a person there who --
15 are there any persons there at the Tok LIO site?

16 Apparently we don't have an active connection with the Tok LIO site. I
17 understand there is someone here in the Anchorage office who represents one
18 of the communities or organizations in the Aleutians West area and would wish
19 to speak to the Commission. I will give that person, Mr. Cotten, his
20 opportunity now. I would ask, Mr. Cotten, if you and anyone coming for the
21 benefit of the person preparing the transcript, if you would identify
22 yourself and spell your name so we can get it accurately in the record.

23 MR. COTTEN: Thank you, Mr. Chairman. For the record my name is
24 Lamar Cotten. L-a-m-a-r. Last name is spelled Cotten, C-o-t-t-e-n.

1 Just briefly, I've been working for the City of Adak
2 for the last nine months on a number of management and capital improvement
3 projects. And they've asked me just to make a couple of general comments. I
4 think as everybody we recognize the hard work that went into this study. And
5 as I think many people know the Aleutians West area is basically a first
6 class city Unalaska along with three communities, two of which are
7 incorporated, Adak and Atka. I don't think anybody disputes that, that in
8 fact it could be consolidated into one regional government. Whether they
9 would retain the City of Unalaska, obviously that's another issue.

10 The only thing we would say that with respect to Adak is it's a fairly
11 new community. It's got its hands full because of the upcoming transfer of
12 property from the Navy to the Aleut Corporation and in turn to the
13 Municipality. We would just think that in both the LBC's deliberations.....

14 UNIDENTIFIED VOICE: Hello.

15 CHAIR WARING: Yes, may I ask who is speaking?

16 UNIDENTIFIED VOICE: Yes, this is the City of Unalaska site.
17 Apparently.....

18 CHAIR WARING: Welcome. Lamar Cotten is addressing the
19 Commission now. If -- and we will speak to you next on line.

20 UNIDENTIFIED VOICE: All right. Thank you.

21 MR. COTTEN: Thank you, Mr. Chairman. Is that in its
22 deliberations it would at least include as a comment that it recognizes that
23 one, that this is a -- compared to other areas it's a fairly -- you're really
24 talking about, I believe, there's about 80 people at Atka and about 40 people

1 at Nikolski and there's about 200 people on Goodday and Adak that in light of
2 trying to -- in reviewing this matter that, I guess, both for the LBC and the
3 Legislature that they would look at this area as a lower priority if, in
4 fact, at some point in time there is a listing or any kind of priority as to
5 who somebody wants to take a harder look at to be advanced for to become a
6 part of regional government.

7 And I think that's actually all I've got to say.

8 CHAIR WARING: Thank you, Mr. Cotten. Any questions?

9 MR. COTTEN: I would just one -- if in fact there's time for the
10 -- when you bring on Delta Junction I wanted to make just a couple of
11 comments there, too, as well.

12 CHAIR WARING: This is Commissioner Waring. Let me ask if there
13 are parties at the Unalaska City Hall site who wish to speak to the
14 Commission?

15 MS. KNIAZIEWSKI: Yes, sir. This is Aimee Kniaziewski, I am the
16 assistant city manager and sort of the unofficial spokesperson for the nine
17 people here.

18 CHAIR WARING: Then please, proceed.

19 UNIDENTIFIED VOICE: Mr. Chairman.....

20 CHAIR WARING: Pardon me.

21 COURT REPORTER: I didn't get her name. And it'd be helpful if
22 you'd have her spell her last name so we can get it.....

1 CHAIR WARING: If the person speaking could please state their
2 name and also spell it. We are preparing a transcript of the hearing which
3 we will provide to the Legislature. We would like to have everyone who
4 participates accurately reflected in the record, so if the person who first
5 spoke could please repeat their name and then move on to the person who did
6 wish to address the Commission.

7 MS. KNIAZIEWSKI: Yes. This is Aimee Kniazowski, the assistant
8 city manager for the city of Unalaska. My name is spelled A-i-m-e-e, last
9 name is K-n-i-a-z-i-o-w-s-k-i.

10 CHAIR WARING: Thank you. And I'm not sure if you were around
11 earlier when we began the meeting, but we will have a three minute limit on
12 individual remarks to the Commission. Of course, any information anyone
13 would wish to submit, supplementary information in writing or by e-mail would
14 be welcome. Please proceed.

15 MR. KNIAZIEWSKI: Yes, thank you. Commissioners, this -- I
16 believe Unalaska has already submitted some lengthy comments on the draft
17 report which you probably have already received. I won't review those, but I
18 do have some comments that will be made on behalf of the government. We feel
19 that the time that was given to individuals in communities to review and
20 respond to this rather massive draft document was inadequate. And also we
21 feel that 15 minutes of teleconference time is also inadequate. We do have
22 other people in this room that are planning to testify today.

23 Our concerns have to do, I think Lamar Cotten may have touched on that
24 a little bit, our costs to run a borough in this region would be phenomenal
25 and we do not believe that the draft report addresses that sufficiently.
26 It's very expensive. Air transportation when it's available is very expensive

1 in the region. The report doesn't dwell much on the cost of living and doing
2 business in this area. And we feel that if a borough would formed there
3 would be more taxes required to facilitate that type of government.

4 We also do not -- the report doesn't address the unknown costs of the
5 Aleutian region district which would be absorbed as would our local school
6 district's costs into a borough government. The communities themselves have
7 vast differences although we recognize that the Commission's role is to see
8 if we qualify locally (ph) and it appears as though we do in all of those
9 categories. There are very big community differences in size, economy,
10 diverse ethnicity and especially in Unalaska. It's by far the largest city
11 in the region.

12 And, finally, the last thing I'd like to say is we would like more
13 information and will be monitoring this process closely about where we go
14 from here once the Local Boundary Commission completes its final report and
15 submits it to the Legislature just what happens from here. We recognize that
16 it would be a long involved process, but we do have concerns and are very
17 interested in that.

18 We also would like the time to be used wisely and more research we feel
19 is needed at some level, whether that comes from the Local Boundary
20 Commission or the Legislature we're not sure how this is all going to play
21 out, but we definitely feel that specific to our region that more research
22 and more information needs to be gathered before a decision can be made. We
23 really do not believe that a borough is feasible or wise at this time.

24 CHAIR WARING: Thank you for your comments. And thank the city
25 of Unalaska, too, for the thoughtful comments they already did provide the
26 Commission. I do want to make clear to those at the Unalaska site that their

1 time slot whether it is at the City Hall or by call extends till 9:55. So if
2 there are individuals there who do want to address the Commission now, other
3 individuals, we would welcome their comment.

4 MS. KNIAZIOWSKI: Okay. Thank you. There are other people.

5 MS. FOWLER-POUND: Good morning, and thank you for your time. My
6 name is Tammy Fowler-Pound (ph). And I am on the Unalaska City School
7 District School Board. And in looking at borough formation I would also like
8 to encourage state officials to compare strategic plans for the school
9 district. Both the Unalaska City School District and the Aleutians Regions
10 School District recently developed long range plans, strategic plans. And
11 there are some vast differences in those plans. And it would -- we would
12 really like for officials to look at those. And thank you for your time.

13 CHAIR WARING: Thank you. Could I ask again that individuals
14 addressing the Commission please spell their names so we have it accurately
15 stated in the record.

16 MS. FOWLER-POUND: Sure. Tammy, T-a-m-m-y, Fowler F-o-w-l-e-r,
17 Pound, P-o-u-n-d. Thank you.

18 CHAIR WARING: Thank you. Next person, please.

19 MR. SANBORN: This is Darrell Sanborn, Superintendent of Schools.
20 Darrell is D-a-r-r-e-l-l, Sanborn S-a-n-b-o-r-n. The comment I guess I would
21 like to make is that we enjoy a great deal of parental and community
22 involvement and support, you know. And I worry about any additional taxes
23 put on any of our local industry because we really do compete in a world
24 economy. And I see with the businesses that are here they really watch that
25 in terms of when are they breaking even or not.

1 The other point I wanted to bring up in response to Senator Wilken's
2 comment. We do receive more funding from local funds, city hall, city
3 council than we receive (indiscernible - cutting out) budget. So -- and I
4 think, you know, this community, you know, should be recognized -- that fact
5 should be recognized. Thank you very much. If you have any questions.

6 CHAIR WARING: Thank you. Will the next person please address
7 the Commission.

8 MS. KNIAZIEWSKI: It appears as though everyone who wanted to
9 speak has spoken. We do have a sign-up sheet which our city clerk will be
10 forwarding to you on Monday.

11 CHAIR WARING: Thank you for comments. If you intend to stay on
12 line if we have any dead space later and there are any persons there we will
13 come back to you before moving ahead on the agenda. Do you intend to stay on
14 line?

15 MS. KNIAZIEWSKI: I don't believe we are.

16 CHAIR WARING: Okay. Well, thank you then. And we will look
17 forward to receiving the additional information on Monday. Thank you.

18 MS. KNIAZIEWSKI: Okay. Thank you.

19 CHAIR WARING: We will then move to -- we are actually right now
20 back on schedule at 9:40 to the Tok LIO, Legislative Information Office, are
21 we connected and are there any persons there who are listening or wish to
22 speak to the Commission?

23 UNIDENTIFIED VOICE: They have listed as two people. I'm going
24 to give them a call and see.....

1 CHAIR WARING: Okay.

2 UNIDENTIFIED VOICE: and see if they'll dial in. Apparently
3 they're not dialed in yet so....

4 CHAIR WARING: Okay. I'm informed that there are two individuals
5 in that area who had -- were not at the information office but who had called
6 in. We will be trying to reach them and reconnect them. In the meantime we
7 will move to the Delta Junction Legislative Information Office. Are there
8 persons there who wish to speak to the Commission?

9 UNIDENTIFIED VOICE: Yes, there are. We have a couple.

10 CHAIR WARING: Is there one person there who will be master of
11 ceremonies there and simply -- or have you worked out an order of comment?

12 UNIDENTIFIED VOICE: Yes, sir. Mr. Duncan is going to speak to
13 you first.

14 CHAIR WARING: Please do then. And please do mention and spell
15 your name.

16 MR. DUNCAN: Yes, sir. My name is Duncan, Winston Duncan, that's
17 W-i-n-s-t-o-n, D-u-n-c-a-n. There's one thing I'd like -- I think you made
18 an omission on. I'd like to see a chart similar to the one on page 50 of
19 Chapter 3. I'd like to see a chart similar to that showing the per capita
20 expenditures by the state to see if Representative Wilken and these other
21 people -- or just how much it is costing them 'cause I don't think it is.
22 There's too many politicians. They cost too much money and they spend money
23 that -- to get votes. And with less politicians we should be cheaper. Thank
24 you, sir.

1 CHAIR WARING: Thank you, Mr. Duncan. Next, please.

2 MR. ABBOTT: Thank you, Commissioners. My name is Charles
3 Abbott. And that's Charles and then A-b-b-o-t-t.

4 And we have made the choice to live near Delta Junction, an area where we
5 trade a lack of conveniences for fewer taxes. We've exchanged governmental
6 bureaucracy and regulations for fewer options in employment, shopping,
7 entertainment, and schools. It is our choice at least so far. We're being
8 pressured to form an organized borough under the pretext that we're not
9 paying our fair share in regards to education. This is not a legitimate
10 argument for two reasons. The first reason is that according to our State
11 Constitution it's the state's responsibility to provide schools for the state
12 of Alaska. This is to ensure that communities that cannot support a tax base
13 will still have schools. Much of Alaska would be without schools if the pay
14 your fair share mentality were enforced statewide.

15 The second reason is the community does generate money to the state by
16 way of taxes levied against our 38 miles of pipeline. Incorporation into an
17 organized borough would mean that some funds now going to the state would be
18 diverted to the borough. So the real question is whether or not there is a
19 tax base in this area. Much of the Delta's area population consists of
20 farmers, Russian immigrants, retirees. According to Alaska Labor Statistics
21 the current unemployment rate for Delta area is 14.1. That is more than
22 double the rates of Fairbanks and Anchorage which are 6 and 5.1 respectively.
23 Delta's 14.1 percent falls well below the statewide unemployment rate of 7.6
24 in spite of the boom created by missile defense.

25 The majority of the jobs being generated by the missile defense and
26 Pogo (ph) Mine are going to people from outside the community. Missile

1 defense workers are taking up residence at Fort Greely housing or at the Man
2 Camp (ph). Jobs are temporary in nature filled by employees that have no
3 intention of staying in the area when the work is done.

4 I thank you for the time. And please, take our concerns into
5 consideration in your decision-making process. Thank you.

6 CHAIR WARING: Thank you, Mr. Abbott.

7 UNIDENTIFIED VOICE: Mr. Commissioner, Jan in Tok just typed us a
8 message saying that her connection didn't work. They can hear you, but you
9 couldn't hear them when they tried to contact you, so they're trying another
10 connection at this time.

11 CHAIR WARING: Was that the Tok Legislative Information Office
12 you were saying?

13 UNIDENTIFIED VOICE: Yes, they're (indiscernible) area.

14 CHAIR WARING: We're aware they're trying to connect and we will
15 accommodate them when they are able to connect.

16 UNIDENTIFIED VOICE: Hello.

17 UNIDENTIFIED VOICE: Okay. Thank you. That's all from Delta.

18 CHAIR WARING: Are there any other individuals?

19 UNIDENTIFIED VOICE: No, thank you.

20 UNIDENTIFIED VOICE: Tok is on line now.

1 CHAIR WARING: I understand we now have got the Tok Legislative
2 Information Office on line. Are there persons there who wish to speak to the
3 Commission?

4 UNIDENTIFIED VOICE: Yes, hello. Our other phone, we could hear
5 you but not you (indiscernible).....

6 CHAIR WARING: Well, we're glad to have you connected. The
7 purpose is to let us hear you.

8 UNIDENTIFIED VOICE: Yes.

9 CHAIR WARING: As much as vice versa.

10 UNIDENTIFIED VOICE: Mr. Chairman.....

11 UNIDENTIFIED VOICE: Seven people are here, three wish to
12 speak.....

13 CHAIR WARING: Could you please pause for a moment. We need to
14 change tapes. We're making a transcription of the hearing.

15 UNIDENTIFIED VOICE: There are seven people.....

16 CHAIR WARING: Just pause for a moment and we'll get it on
17 record.

18 (Off record)

19 (On record)

20 CHAIR WARING: Thank you for bearing with us. We've now got the
21 tape going again. Could you please speak to us? Tok?

22 UNIDENTIFIED VOICE: (Inaudible).

1 CHAIR WARING: Is the Tok Legislative Information Office on line
2 there?

3 UNIDENTIFIED VOICE: Yes, I'm bringing everybody in this new
4 room.

5 CHAIR WARING: Okay. If there are multiple -- a number of
6 individuals who did wish to speak to the Commission could someone please
7 settle on an order and just begin. We've got a three minute limit for
8 individual comment.

9 UNIDENTIFIED VOICE: Our first person that wishes to testify is
10 Glen Marunde. G-l-e-n M-a-r-u-n-d-e.

11 CHAIR WARING: Thank you. Please, Mr. Marunde, please speak to
12 us.

13 MR. MARUNDE: Thank you. My name is Glen Marunde. And for the
14 past 42 years I have lived in the unorganized borough in Tok. My main
15 purpose in my testimony today is to discuss our State Constitution. There's
16 something that's been left out of the entire process here and I want to be
17 sure and get it in. That something is talking about regional government.
18 Article X deals exclusively with local government. It is absolutely clear
19 that the framers of our Constitution did not want regional government.

20 Here are the comments by retired Judge Tom Stewart at a meeting hosted
21 by the Local Boundary Commission in Juneau on February 13th and 14th of 1996.
22 The theme of the meeting was a review of the local government article of
23 Alaska's Constitution 40 years after it was written. Judge Stewart was
24 instrumental in setting up the First Constitutional Convention and he stayed

1 as secretary of the convention. He's certainly an expert on our Constitution
2 and that's why he was invited to attend this meeting.

3 Here's what Judge Stewart said concerning boroughs and regional
4 government. Quote, my strong thought is that the Legislature, the Governor,
5 and the Department and the Commission have failed to give weight to that word
6 local. And too many of the boroughs that have been formed are regional in
7 nature and in my judgment never should have been. If there are taxable
8 properties out there like Prudhoe Bay they should have been in the
9 unorganized borough administered by the state. Barrow has no business
10 managing Prudhoe Bay. They never used. They didn't have anything to do with
11 it. It's regional in my judgment. And you should confine the boundaries
12 down to the land surface that the local people have traditionally used that
13 have those characteristics of population, geography, economy, transportation
14 that are local. The word local has not been adequately recognized.

15 Now Bob Hicks was also attending and he says to the Judge, you say that
16 local for borough should be very, very small equivalent of a small county,
17 shouldn't be that expensive? Judge Stewart says absolutely.

18 It is very apparent from Judge Stewart's comments that the framers were
19 very specific when they used the word local in Article X. They clearly did
20 not want regional government for Alaska. If they did they would have named
21 Article X Regional Government not Local Government. If they wanted regional
22 or statewide government they would have called the Local Boundary Commission
23 the Regional Boundary Commission, not just the Local Boundary Commission.

24 I am convinced that the framers clearly did not want wall to wall
25 unnecessary labor of government for Alaska. The first sentence in Article X
26 Local Government says the purpose of this article is to provide maximum local

1 government with a minimum of local self-government with a minimum number of
2 local governments to prevent duplication of levying jurisdictions.

3 CHAIR WARING: Mr. Marunde, your three minutes of time are out,
4 could you please conclude?

5 MR. MARUNDE: I have one more paragraph here. In truth, there
6 are more local governments in the unorganized borough than all the organized
7 boroughs. There are 96 local governments in the unorganized borough and 49
8 in the organized. If all the model boroughs were to become boroughs all 96
9 local governments in the unorganized borough would have two layers of
10 government and two taxing authorities to deal with. This is not the intent
11 of the framers. Thank you.

12 CHAIR WARING: Thank you, Mr. Marunde.

13 Are there others who wish to speak to the Commission.

14 UNIDENTIFIED VOICE: We have a second person.

15 CHAIR WARING: Welcome.

16 UNIDENTIFIED VOICE: Uawhahna Bronn. I just faxed you a paper
17 you might have it there by now. U-a-w-h-a-h-n-a. B-r-o-n-n is the last
18 name. She's ready.

19 CHAIR WARING: Please begin.

20 MS. BRONN: Yes, my name is Uawhahna Bronn. And I'm going to
21 make this real short. I'm for no borough here. We're just too small of an
22 area and town for a tax base. We don't know what a tax base would do to us
23 if it was imposed upon some of the people here in Tok and the area. There's

1 limited work here. And I feel that if there was a borough our way of living
2 might change for the worse. And that's all I have to say. Thank you.

3 CHAIR WARING: Thank you, ma'am. Are there other persons?

4 UNIDENTIFIED VOICE: The next person that we have on our list, we
5 have two more, the next one is Judd Rutledge. J-u-d-d R-u-t-l-e-d-g-e.

6 MR. RUTLEDGE: Hi, good morning.

7 CHAIR WARING: Good morning.

8 MR. RUTLEDGE: Just a couple of points I wanted to make. If you
9 combine our two communities to form the Upper Tanana Basin we're going to
10 have a valuable oil tax that we could possibly come up with, properties
11 ranging from 283,000 -- or excuse me, 283 million. As long as there's oil
12 flowing through that pipeline it might just support a community the size of -
13 - or the borough the size that you're proposing for us. However, once the
14 oil revenues start to decline and you're starting to look for other sources
15 of income for our borough I see on page 48 that (indiscernible) estimated
16 average owner occupied housing value for our borough of \$144,000 per home.
17 Wow. If you guys would just come up and drive around this borough I think it
18 would be obvious that these houses here are not worth \$144,000.

19 And if you're going to try to tax these people, the estimated per
20 capita income person is only \$16,888. Now once you run out of oil money
21 there's not really much of anything to fund this borough and keep it up. And
22 then it's going to be right back to (indiscernible - cutting out). And
23 that's about all I have to say.

24 CHAIR WARING: Thank you, Mr. Rutledge.

1 UNIDENTIFIED VOICE: The last testifier this morning is William
2 Miller. W-i-l-l-i-a-m M-i-l-l-e-r. And he resides (indiscernible).

3 MR. MILLER: Good morning. My name is William Miller. I'm
4 (indiscernible - cutting out). I'd like to mention that when you had your
5 prior hearing we received notice of it the day after the hearing. I
6 contacted the individuals about this hearing and they (indiscernible)
7 information on it prior to the hearing (indiscernible - cutting out).

8 Having lived in the area (indiscernible - cutting out) provide services
9 in the village.

10 COURT REPORTER: I can't understand him.

11 UNIDENTIFIED VOICE: I can't understand a word of it.

12 (Off record comments)

13 CHAIR WARING: This is the Chair. Let me intervene. Are you
14 calling in from your own phone, sir?

15 MR. MILLER: No, I drove to Tok this morning because that's the
16 only way I could get on.

17 CHAIR WARING: You are at the Legislative Information Office?

18 MR. MILLER: Yes, I am.

19 CHAIR WARING: Okay.

20 MR. MILLER: Fifty miles from Dot Lake.

21 CHAIR WARING: For some reason we're getting terrible reception
22 here. Our technician here has suggested that you might try getting a little

1 closer to the microphone. I'm not sure where you are and seeing if we will
2 get better audio here at our location.

3 MR. MILLER: I just moved the mic a little further away, is that
4 better?

5 COURT REPORTER: No, closer.

6 CHAIR WARING: Closer, please.

7 MR. MILLER: Now it's closer. Is that any better?

8 CHAIR WARING: That's much better. And if you will forgive me,
9 we simply haven't been able to catch coherently all that you've said, if you
10 could just begin again at the beginning we would appreciate that.

11 MR. MILLER: Okay. As long as my time starts over. I am
12 president of Dot Lake Village Council.

13 CHAIR WARING: That is much better.

14 MR. MILLER: Dot Lake Village Council is a recognized Alaska Native
15 Tribe and a tribal government. First of all, I wanted to object because I
16 received notice of your last hearing which was a listen only hearing the day
17 of the hearing and I was unable to listen to it. I called and was informed
18 that I would receive information on this hearing prior to the hearing enough
19 time to review it and have comments. I received it just now from the
20 Legislative Office but I did not receive it from anyone down there. I
21 received a map yesterday and looking at the borough -- proposed borough it
22 looks about the same that it's been for the last 30 or 40 years that they've
23 been trying to form boroughs for us.

1 We have a tribal government. Each one of the tribes in the area have a
2 tribal government. They provide services to the people. They provide them
3 through both federal and state funding. With a borough all of the state
4 funding the little bit that we do receive would have to go through the
5 borough. We are too far from any of the major centers which would be Tok or
6 in Delta. We would not receive any service whatsoever.

7 Every time I drive to Fairbanks I look at the old Richardson Roadhouse.
8 It sets about 200 yards inside the North Star Borough. At that roadhouse out
9 there they receive no fire protection, they receive no police response, no --
10 nothing whatsoever but they did pay borough taxes. This is what I'm looking
11 at for myself, for the people in the area. If you would check the history
12 the villages in the area have a very high unemployment rate. There's no
13 industry. There's no business. The only businesses are family owned in the
14 areas. There's no income in the area other than small jobs provided by the
15 tribal government which a lot of them would be lost if we became a borough
16 and ceased to receive funding.

17 I oppose the borough. I believe the majority of the people oppose the
18 borough. And I did not see any hearings in the area. We did not -- were not
19 notified of the study, of people coming out studying this area. The
20 information they have is so obsolete and outdated it's pathetic. With the
21 technology that we have today they should be able to at least get input from
22 local people and get the information straight before trying to force a
23 borough on us. Thank you.

24 CHAIR WARING: Thank you, sir. Are there additional persons?

25 UNIDENTIFIED VOICE: That's all who are here that wish to
26 testify.

1 CHAIR WARING: Thank you. Let me just double-check then with
2 both the Tok and Delta Junction -- the Delta Junction LIO office as well. Is
3 there anyone there additionally who wish to speak?

4 We do have.....

5 UNIDENTIFIED VOICE: No one in Delta Junction. Thank you.

6 CHAIR WARING: Thank you. We do have one person here at the
7 Anchorage site who I think wished to speak to the Commission on behalf of
8 Delta Junction.

9 MR. COTTEN: Well, actually not Delta Junction in general, but
10 the City. Again, my name is Lamar Cotten. L-a-m-a-r. Last named spelled C-
11 o-t-t-e-n. And I've been asked by the City of Delta Junction to make a few
12 comments about your study. First of all, the City is not taking a position
13 on the issue of boroughs at this time. We do recognize the issue of regional
14 government and the surrounding matters that are very important both at a
15 state level but also a regional level.

16 In response to that, the City of Delta Junction received a grant from
17 the State to look at the issue. And it's currently starting its regional
18 government option study. And it's an educational process. It's not an
19 advocacy part on the part of the City, but it's more, I guess you might say
20 to take the approach of ready, aim, fire as opposed to the opposite. It
21 wants to intelligently understand the issue and it wants to do it in a
22 deliberate thoughtful way before in turn takes any next steps. That's one
23 issue I wanted to mention.

24 The second one is that taking a look at the study, the City wishes the
25 Commission and hopefully anybody else that looks at this issue down the line

1 will consider that instead of looking at the Upper Tanana as a region to look
2 at the area in two areas. And that is the two separate REAAs (ph). And I
3 think the reasons are clear, at least they are locally, but maybe I could
4 just summarize them for the Commission. One is that the principal
5 subregional political jurisdictions are separate. As you know there's two
6 different school districts within the Delta REAA or Delta-Greely REAA. There
7 is the Deltana Corporation, the Delta Regional Economic Development
8 Corporation. There are two our knowledge no significant or relevant
9 political or service jurisdictions that cover both of the REAAs.

10 It was mentioned in the report there are troopers at both Tok and Delta
11 which, of course, is correct, but they essentially serve the area as I
12 understand it both in their respective communities and then also along the
13 highway somewhere between the two communities.

14 The economy of Delta is different than Tok. Clearly there is not only
15 a major construction project with respect to the military but it's clear
16 there will be a long-term operational activity by the military in Delta.
17 There is -- it looks like prospects for mining at the Pogo Mine which will
18 have a direct effect on the community. And last but not least, there is, of
19 course, the farming activities in Delta. And as I understand it that's
20 somewhat or absent -- all three of those are somewhat absent in the Tok area.

21 I guess another point also is the role of TCC, the regional Native
22 nonprofit corporation. To my knowledge, and I've tried to double-check with
23 those people in Delta, TCC does not provide any direct programs that we're
24 aware of in the Delta-Greely REAA. I believe its main emphasis and focus is
25 on the villages east of there in the Tok area.

1 The community make-up is also a lot different as you probably have
2 heard. There is now out of the roughly 3,600 people -- I'm sorry, 3,600
3 people in the Delta area, a 1,000 of those are Slovaks, immigrants, refugees
4 and citizens. Secondly, according to your document about 2.5 percent of the
5 REAA in and around the Delta area is Native Alaskan or Native American,
6 whereas the other REAA.....

7 CHAIR WARING: You're passed your three minute dinger.....

8 MR. COTTEN: Oh, I'm sorry. So I'll just quickly summarize and
9 state that on behalf of the City we would request that you include in your
10 final report a listing of the Delta-Greely REAA as a separate region for
11 consideration if in fact you are looking at boroughs in that area. Thank
12 you,
13 Mr. Chairman.

14 CHAIR WARING: Thank you. If you've got written information that
15 you wanted to present Commission.....

16 MR. COTTEN: That'll be our report.

17 CHAIR WARING: Thank you. Thank you, Mr. Cotten. Last chance at
18 this moment for individuals at Delta or Glennallen -- pardon me, at Delta or
19 Tok to -- either of those telesites to speak to the Commission. And we're
20 checking to see if we have any incoming phone calls. Okay. I think we've
21 been through these. If there is someone, first, at Tok, please tell me that
22 you are done? Delta?

23 UNIDENTIFIED VOICE: We're done. Thank you.

1 CHAIR WARING: Thank you. Then we do have at our next site in
2 Glennallen a number of parties who do wish to address the Commission. We're
3 momentarily ahead of schedule. If those persons are prepared now at
4 Glennallen to speak to the Commission we will proceed. Is there some person
5 at the Glennallen Legislative Information Office who can serve as
6 spokesperson.

7 UNIDENTIFIED VOICE: Yes, we are here. You have a Mr. Matt Krinke that
8 will be speaking first.

9 CHAIR WARING: Thank you. If Mr. Krinke will begin.

10 MR. KRINKE: Matthew Krinke. M-a-t-t-h-e-w
11 K-r-i-n-k-e.

12 CHAIR WARING: Please begin, Mr. Krinke.

13 MR. KRINKE: I just received a copy of these reports and I had
14 only one day to review for it for 22 pages of this material. And only one
15 day's notice of this hearing. I do not believe that this is sufficient time
16 for review and for anyone to prepare a rebuttal of such important documents
17 to be sent to the Legislature to be acted upon against the will of the
18 people. Thank you.

19 COMMISSIONER TESCHE: Mr. Chairman.

20 CHAIR WARING: Mr. Krinke, one Commissioner did have a question,
21 Commissioner Tesche.

22 COMMISSIONER TESCHE: For clarification of the record, do we have
23 a time deadline upon which the Commission would nevertheless accept written
24 commentary from persons who have reviewed our preliminary draft documents?

1 CHAIR WARING: Yes. Any information we receive by mail or by e-
2 mail by close of day on February 14th will be forwarded as part of the record
3 to the Legislature with the report we deliver on February 19th. Anything in
4 the form of written comment or e-mail comment we receive after that will also
5 be forwarded, will follow the report, but we will provide anything that comes
6 to the Commission on this discussion to the Legislature. And so if the
7 gentleman did want to take advantage of that additional time to either by e-
8 mail or other correspondence forward us comments we would welcome them and we
9 will provide them to the Legislature.

10 COMMISSIONER TESCHE: I just want to make sure that those
11 listening in understood that the deadlines under which the Commission are
12 operating are those set out by state law. And in fact state law did not even
13 set out a procedure whereby the Commission could take any sort of public
14 testimony, but because our staff has been working on this thing literally
15 around the clock with the Commission Chair for the past several months we
16 were able to get at least a limited opportunity today to hear from people
17 throughout the state of Alaska, but nevertheless, certainly I recognize that
18 the time deadlines imposed by the Legislature are very difficult to deal
19 with. And I would certainly encourage both the witness who's just spoken and
20 any others even though the deadlines have been very short for review get us
21 your written comments because we very much would like to consider those
22 before issuing the final report.

23 CHAIR WARING: Thank you, Commissioner Tesche. This issue has
24 had a life of 45 years already. I think it will continue on beyond the date
25 at which we submit this report.

1 I do have a list actually that was provided me of persons at the
2 Glennallen site who wanted to testify. And I'll just use that list if I may.
3 The next person on it is John Kunik.

4 MR. KUNIK: Yes, good morning.

5 CHAIR WARING: Good morning, Mr. Kunik.

6 MR. KUNIK: My name is John Kunik. And I'm a resident and small
7 business owner in the Copper Basin. I'm also a member of CRAB, C-R-A-B,
8 Copper River Residents Against Bureaucracy. I've only recently received a
9 copy of the LBC report. It's quite lengthy and takes a long time to
10 disseminate the content. Myself and as was just mentioned need more time to
11 study and respond to this. The time allotment is too short and should be
12 extended.

13 Now, the idea of organized borough being forced upon the unorganized
14 borough I believe is contradictory to Article X Section 3. It states as you
15 all know, I hope we know, it says there will be organized and unorganized
16 boroughs. And this is not economically feasible. It has been stated time
17 and time again through LBC meetings, legislative meetings. The State
18 Assessor also gave testimony, I believe it was last year or the year before
19 that it was not economically feasible. All of a sudden it's now economically
20 feasible it seems and the economy is sure going up. I can see that in the
21 Wall Street Journal and elsewhere.

22 Now presently in the Copper Basin our electric rate is 18.6 cents a
23 kilowatt hour. That's just here in Glennallen. We receive no PCE, power
24 cost equalizations. Gasoline is now \$1.90 a gallon. Heating oil number 1
25 diesel \$1.67. This is all due to go up if the price of oil does go up. And
26 food is about three times the price compared to Anchorage.

1 Now as far as your figures presented by the Local Boundary Commission
2 they are filled with inaccuracies and are completely skewed. And I believe
3 somebody stated that you took it off the census, 2000. I don't care where
4 you got them from. They're wrong. The population figures, employment,
5 unemployment, habitable dwellings, et cetera, change from page to page and
6 are all incorrect. There's no employment possible even this time -- excuse
7 me, there is no employment even possible for eight months of the year unless
8 you are a federal or state worker. There's no industry whatever and no
9 chance of developing any resources due to land restraints. We have over 13.2
10 million acres of National Park Service land, plus we have BLM land, State of
11 Alaska land, Ahtna Native Lands, University of Alaska lands. Less than 1
12 percent, less than 1 percent is in private hands that is privately held. And
13 obviously there's not enough land there to do any mining, drilling, or
14 timbering.

15 Now where will we derive the jobs from? Tourism? I hardly believe
16 that. It was a bust last year and it'll be lower this year. And plus, they
17 generate -- they do not generate year round income. There's no fishing in
18 the area here. It's landlocked.

19 The unorganized area as Mr. Luten (ph) says does contribute. He
20 contradicts that. We contribute 6.2 million from the general fund -- into
21 the general fund from taxes derived from the pipeline. And it's now going to
22 be a declining resource. They'll PILT things, payment in lieu of taxes. And
23 They just recently closed the Lottie Sparks Schools (ph) in Nelchina. The
24 State of Alaska does not provide garbage service. We do. We have a user
25 fee.....

26 CHAIR WARING: Mr. Kunik, your three minutes are up. Could you
27 please conclude?

1 MR. KUNIK: Yeah, just one last question. I'd like to know
2 rather briefly what will the cost of an organized borough be? I would like
3 to know the amount of money allocated for construction, vehicles, salaries
4 for mayor, borough planing, planning, plotting, fire department, police
5 department, garbage, sewer and water.

6 And again, the last thing I would say I would like to have -- if this
7 is not provided we will request the State Legislature demand that you supply
8 these figures to the public. I don't want thoughts or comparisons, I want
9 actual figures.

10 CHAIR WARING: Mr. Kunik.....

11 MR. KUNIK: Thank you.

12 CHAIR WARING:your time is concluded. Are there any
13 questions of Mr. Kunik? Then we will proceed to Mr. Heinz, Frederick Heinz.

14 MR. HEINZ: Yes, this is Frederick Heinz.

15 F-r-e-d-e-r-i-c-k H-e-i-n-z. And I've lived here almost 40 years here in the
16 Copper River Basin. And I feel really hurt when people (indiscernible) or
17 whoever says that we do not contribute our fair share. Well, we contribute
18 for services when all you people from the city want to drive through our
19 valley, how do you think it would be if we weren't here to give you the
20 services. And as it's set up, I've done a little surveying on my own of the
21 way the oil revenue supplies most of the money like 97 percent or so for the
22 State's revenues, if we were to have a borough here and it was formed in the
23 Copper Basin and we took in the pipeline revenue, then you people would have
24 less money to work with than you have today. And I think you'd better check

1 your figures and like John Kunik says, you better get your facts together
2 instead of just a bunch of B.S. Okay. That's all I have. Thank you.

3 CHAIR WARING: Thank you, Mr. Heinz. I also have a Fred Heinz
4 listed on the call-in sheet, is that a different person than yourself, Mr.
5 Heinz?

6 MR. HEINZ: Yes, it is. It's my son.

7 CHAIR WARING: Thank you. If Fred Heinz then would please begin.

8 UNIDENTIFIED VOICE: He's ready.

9 MR. HEINZ: I'm Fred Heinz. Some people call me Fred Heinz, Jr.,
10 but I've lived here like dad said almost 40 years and seen a lot of people
11 try to push this borough. And every time it -- after it's hashed out it
12 comes up that it's not feasible. I don't know why they keep beating a dead
13 horse. And I really am appalled by what Mr. Wilken says about nobody pays
14 their fair share. He makes it sound like we're just a bunch of welfare
15 people out here that don't do anything. And I think if he would come out
16 here and take a look how we live, if we want to have a sewer we put it in
17 ourselves. We have to put in our own wells. We have to haul our own
18 garbage. We don't want the government services. We're happy doing things on
19 our own and that's why we're out here.

20 And like other people have said, if money is taken away from the
21 pipeline from the general fund the State would have less money. And the
22 other ways we pay taxes is we are very spread out out here and do a lot of
23 driving. There's a whole lot of money collected from gas taxes. When we
24 travel to the cities we pay a bed tax. And I'm not sure about alcohol tax,
25 but I think a lot of the alcohol tax out here goes to the State government.

1 And I just -- the way people are -- it's so sparsely populated, spread out, a
2 borough could -- there's no way it could ever provide services to the people
3 out here. Thank you.

4 CHAIR WARING: Thank you, Mr. Heinz. Jane Brown.

5 MS. BROWN: My name is Jane Brown. I'm a resident of the Copper
6 Rive Basin and a member of CRAB, Cooper River Residents Against Bureaucracy.
7 I oppose any mandatory unconstitutional formation of boroughs. I know from
8 past years' experience that any logical argument will fall on deaf ears. I
9 will only comment on your Commission's process. We have only had three weeks
10 to try to review and disseminate the draft report to an area the size of West
11 Virginia. What's your rush? There are 130 pages in Chapters 2 and 3 alone.
12 Many people do not have access to a computer and it costs \$25 to photocopy
13 Chapters 2 and 3. I don't believe that this Knowles appointed volunteer
14 Commission is qualified to determine the destiny of the unorganized borough.

15 Mr. Wilken's term on the Commission is about to expire, so I encourage
16 all of those listening to write or call Governor Murkowski and demand that he
17 appoint at least one resident of the unorganized borough to serve on the LBC.
18 None of your current members live or work year round in the unorganized
19 borough. You don't know from personal experience what it's like to live in
20 rural Alaska and it's obvious you don't care.

21 COMMISSIONER TESCHE: Mr. Chairman?

22 CHAIR WARING: Ms. Brown, are you concluded?

23 MS. BROWN: Yes.

24 CHAIR WARING: I believe we had a question for you from
25 Commissioner Tesche.

1 COMMISSIONER TESCHE: Ms. Brown, I want to thank you very much
2 for your very forthright and honest comments to the Commission today. And I
3 want to just, perhaps, give you a little bit of background about the
4 Commission's proceedings. First, as far as the time deadlines that we are
5 operating under, these are not at all created by the staff or the department,
6 but instead mandated by the Legislature. In other words, we are told by the
7 Legislature when it passed a bill last session when, where, and how we are to
8 submit this report to the Legislature. Originally the legislation did not
9 even contemplate any sort of public hearing like we're having today.
10 Fortunately, because Commissioners and the public were able to meet on a
11 weekend such as today we were able to get your testimony and those of any
12 others that can meet with the Commission today. And I for one am happy to
13 have that testimony because it reminds me one person who lives in probably
14 the most urbanized area of Alaska how different Alaska really is and how
15 diverse our population is. So I certainly appreciate your testimony and the
16 time that you've taken to come out today.

17 And by the way, we are all volunteers. None of the people testifying
18 today nor any of the Commissioners are paid for this work, so I just want to
19 thank you very much for your time and coming down to testify today.

20 MS. BROWN: May I ask to identify who was just speaking?

21 COMMISSIONER TESCHE: Oh, I'm sorry. My name is Allen Tesche.
22 And I come from Anchorage. And I was appointed by Governor Knowles to sit on
23 this Commission. And I've been on this Commission now for oh, maybe five
24 years.

25 MS. BROWN: And would you like to comment on the fact that
26 there's no one from the unorganized borough on the Commission as we speak?

1 COMMISSIONER TESCHE: Well, I can only point out where people
2 come from on the Commission. As you know, the Commission members are
3 appointed by the Governor and it's exclusively up to the Governor and his
4 staff who sits on the Commission. I'm confident that our new Governor
5 Murkowski will take a very hard look at fair representation of all areas
6 including the unorganized borough as he looks at additional appointments to
7 this Commission. Frankly, I certainly look forward to serving with
8 Commissioners from the unorganized borough as well as the organized borough.
9 I could learn a lot and I would really appreciate that opportunity.

10 MS. BROWN: Okay. I appreciate your questions but it's obvious
11 that the deck is stacked against us. And I doubt if the urban areas would
12 want a Commission from total participants of the unorganized borough making
13 judgments.

14 COMMISSIONER TESCHE: And certainly just as you would not want a
15 Commission entirely made up entirely made up, and I think you've already said
16 this, of people from the organized borough.

17 MS. BROWN: Right. Well, I should stop now because there's many
18 other people that need to speak.

19 CHAIR WARING: Thank you. Are there other individuals at the
20 Glennallen site?

21 UNIDENTIFIED VOICE: No, sir, there are none here in Glennallen,
22 but I would like to let you know that we have in Slana and in Kenny Lake and
23 I believe they are listening in at this time.

1 CHAIR WARING: I do have a note that we were expecting some call-
2 ins from Slana. Are they coming through your office or will they come
3 directly to the teleconference connection in Anchorage?

4 UNIDENTIFIED VOICE: They are coming directly to a teleconference
5 connection in Anchorage from Slana. They should be on line right now, sir.

6 CHAIR WARING: Okay. And did you say there was another location
7 besides the Slana calls?

8 UNIDENTIFIED VOICE: Yes, sir. There is also a group in Kenny
9 Lake.

10 CHAIR WARING: Kenny Lake, okay.

11 UNIDENTIFIED VOICE: And they have dialed in and will be
12 available for you when you call on them.

13 CHAIR WARING: Okay. We'll go in turn. First we will take the
14 calls from Slana.

15 UNIDENTIFIED VOICE: Excuse me, Eagle also. Eagle City is
16 supposed to be on this time as well.

17 UNIDENTIFIED VOICE: Kenny Lake on right now.

18 CHAIR WARING: Thank you. Is Slana connected or calling in at
19 the moment? Well, we will expect them.

20 UNIDENTIFIED VOICE: I see Slana and Kenny Lake just came on.

21 MR. RILEY: Yes, Mr. Chairman.

22 CHAIR WARING: Is this Slana?

1 MR. RILEY: This is Slana.

2 CHAIR WARING: Thank you. If you will just please identify
3 yourself and the Commission would be glad to hear your comments.

4 MR. RILEY: My name is Joe Riley and I'm testifying on behalf of
5 Slana Alaskans Unite, a community service organization representing 175 local
6 residents of the Tok Cutoff and the Nebesna Road area. Our organization is
7 disappointed in the structure of the process for public awareness of and
8 input into the Local Boundary Commission's review of unorganized boroughs in
9 Alaska. It is extremely difficult to become informed on the details of the,
10 quote, draft materials concerning borough incorporation standards and their
11 applications, unquote, when the materials are not made available to local
12 populace well in advance of the deadline for the Commission's report to the
13 Legislature.

14 This circumstance has made it impossible for our organization to
15 develop a meaningful input and testimony on an issue that will have dramatic
16 impact on all the residents of this area. Undoubtedly, the Local Boundary
17 Commission is accustomed to negative testimony and heavy criticism from most
18 public members who testify on corporation issues. Perhaps this syndrome
19 would begin to reverse if the Local Boundary Commission would make a greater
20 effort to solicit public input and provide ample time for those potentially
21 affected to number one, review and understand the impact of the Commission's
22 written materials, and number two, to offer comments that amount to a bit
23 more substance than blanket criticism and opposition. Thank you for your
24 consideration, Slana Alaskans Unite.

25 CHAIR WARING: Thank you, sir. You make some good points about
26 the time available to forward comments to the Commission on this report. And

1 perhaps you didn't hear some of what we told earlier participants in the
2 teleconference. We will be sending our report, our findings to the
3 Legislature on February 19th. Any comment written or e-mailed or even
4 today's comments and testimony will be forwarded to the Legislature.
5 Anything that we might receive after February 14th on the report will also be
6 forwarded to the Legislature. And I expect that this will be a matter of
7 continuing interest to the Legislature. And if there is more that you and
8 the organization that you are speaking on behalf of wish to say in regard to
9 the report, please do. Take your time to prepare those remarks and forward
10 them to the Commission and to the Legislature or we will forward them to the
11 Legislature, but there is more time for you to formulate and forward your
12 opinions on. I hope you take advantage of that opportunity.

13 MR. RILEY: I'm sure we will. Thank you very much.

14 CHAIR WARING: You're welcome.

15 MR. RILEY: And there's another person here from Slana.

16 CHAIR WARING: We would be glad to hear that person.

17 MR. BULLOCK: Yes, good morning, Mr. Chairman.

18 CHAIR WARING: Could you please identify yourself and spell your
19 name.....

20 MR. BULLOCK: Yes, this is Ed Bullock.....

21 CHAIR WARING:so we will have it accurately on the
22 transcript.

23 MR. BULLOCK: Yes, this is Ed Bullock, Jr. And if you can wait
24 just a moment we're going to switch from handset to the mic.

1 CHAIR WARING: Okay. And when you continue could you please
2 spell your last name?

3 MR. BULLOCK: Yes, my last name is B as in boy u-l-l-o-c-k.

4 CHAIR WARING: Please proceed.

5 MR. BULLOCK: And I'm just wondering and would like to say that
6 this Commission has undoubtedly heard a lot of negative response from the
7 people out in the Bush for several years now on taking the unorganized
8 borough areas and making it into an organized one. One of the things that
9 I'm concerned with is a lot of the people that live out in these unorganized
10 areas do not make enough income to be able to support a borough of any sort
11 through a tax base. Nor do they want this. And why does this keep coming up
12 year after year whenever the people do not want it? And I guess that's what
13 I have to say.

14 CHAIR WARING: Thank you, Mr. Bullock. Are there other
15 individuals at Slana?

16 MR. RILEY: No, sir.

17 CHAIR WARING: Well, thank you for participating. We will be
18 forwarding your remarks to the Legislature as well as considering them
19 ourselves. Thank you. We will -- I understand that -- is Kenny Lake on
20 line?

21 UNIDENTIFIED VOICE: Kenny Lake is on line.

22 CHAIR WARING: If you will please work out among you some order
23 for addressing the Commission we would be glad to hear from you?

24 MR. BOOS: (Indiscernible).

1 CHAIR WARING: We're getting a very muddy sound.

2 MR. BOOS: Okay. To start off with you're running early and we
3 don't have everybody here that has indicated a need to speak today. We have
4 three individuals we could start with.

5 CHAIR WARING: Could you please back -- get a little bit further
6 away from the mic. That might help with the sound quality that we are
7 getting. Could you please start again?

8 MR. BOOS: Yeah. We're supposed to start.....

9 CHAIR WARING: That sounds much better.

10 MR. BOOS:testimony at 10:50 and there are only a few
11 people here right now.

12 CHAIR WARING: We.....

13 MR. BOOS: Is there somebody who can go before us?

14 CHAIR WARING: This is Kenny Lake.

15 MR. BOOS: Uh-hum.

16 CHAIR WARING: And you say that you're expecting some people to
17 come on at a later time?

18 MR. BOOS: Yeah, we have an antiquated speaker phone here. We
19 were supposed to talking at about like 10:50 and there's only three people
20 here right now.

21 CHAIR WARING: If you want to listen on that is fine. If you
22 want to just tell us as we proceed at a moment, you know, when no one else is

1 testifying that you have got people present who are prepared and ready to
2 speak to us, please tell us that. Will that work?

3 MR. BOOS: We have one prepared statement now if you'd like. My
4 name is Paul Boos. B-o-o-s. And I'm on the Copper Valley Economic
5 Development Council.

6 CHAIR WARING: Well, please, tell us what is on your mind, sir.

7 MR. BOOS: I do not have a prepared statement, but I have had
8 only like a day or so to look over the information you have here. And the
9 Economic Development Council is currently in the process of doing a basin-
10 wide economic development plan. And we have been gathering some information,
11 some of it secondary through the census, and some primary information we've
12 gone out and gathered as far as employment and income, things like that.
13 Right now in the basin about 54 percent of the people in the basin are
14 currently unemployed. I would question very much how you'd come up with an
15 average income of \$43,900 for the Copper Basin if half the people are
16 unemployed.

17 Secondly, looking at the average price of the homes, there are a number
18 of subdivisions in Glennallen area that have some very nice homes, but the
19 vast majority of the homes in the external areas have all been built by the
20 local residents. And I know on the road I live on I think there's only one
21 home on the entire 14 miles of road that would probably come close to
22 \$128,000. So I would definitely suggest to go back and look at this tax base
23 again and look at what the impact of what this borough would have on these
24 outlying areas where there really is no income out here. Anyway, you've
25 heard that before.

26 I have Sam Lightwood. Hold on.

1 CHAIR WARING: Thank you for your comments. I did want to as an
2 informational matter simply to speak to this question of the accuracy of some
3 of the particularly the census data. Yourself and others have mentioned that
4 at least for their own localities some of the information about incomes or
5 housing values does not jive with your perception. The truth is the 2000
6 census data is at the local level based on a sample. And in small
7 communities it is -- and we're aware of the fact that it is of uncertain
8 reliability. When you aggregate it to the regional level because you're
9 dealing with a larger sample it becomes much more reliable. We did report
10 the census data as the best available data, but we're aware and share with
11 you a concern that it not be relied on as being fully accurate especially in
12 the smaller communities. So.....

13 MR. BOOS: I think one of the other concerns we have is, is that
14 really the only tax base we really have here is the pipeline. And when that
15 becomes fully depreciated probably within the next five or seven years how do
16 we go about raising money to run a borough out here? I mean that would be a
17 question that I would have and a number of people have been talking about
18 here, what happens when the pipeline goes away and we still have to run the
19 schools? We know it's been re-authorized -- the pipeline has been re-
20 authorized for 30 years, but if it's fully depreciated they don't pay taxes
21 on it anymore as far as I know, so that's also our concern.

22 We have another individual who just came in right now, Sam Lightwood.
23 Do you want to listen to him?

24 CHAIR WARING: Mr. Lightwood.

25 COURT REPORTER: Hold on just a second.

26 CHAIR WARING: Are we changing tapes?

1 MR. LIGHTWOOD: Hello. We're using the handheld.....

2 CHAIR WARING: Could you hold on just a minute, Mr. Lightwood.
3 We're changing tapes here.

4 MR. LIGHTWOOD: Okay. No problem.

5 CHAIR WARING: And as soon as we're done we'll come back to you.
6 It will just take a moment. Thank you.

7 (Off record)

8 (On record)

9 CHAIR WARING: Meanwhile, let me speak to -- I believe we have
10 got a person on line from Eagle or perhaps more than one person and also a
11 person in Chitina. When we conclude taking the comments from Kenny Lake we
12 will here take a brief 10 minute recess and then hear from you in Eagle and
13 following that Mr. Boone in Chitina. If -- I hope you're calling on the 800
14 number, that means you don't have to pay for the call. Are we ready?
15 Please, Mr. Lightwood, proceed now.

16 MR. LIGHTWOOD: Oh, I thought you were going to take them. We're
17 using a handset.

18 CHAIR WARING: That's fine.

19 MR. LIGHTWOOD: I have a statement to make about this Copper
20 River area. It's not even springtime along the pike, mansions to humble
21 cabins are mixed with speculative land holdings and mostly empty subdivisions
22 seldom more than one-half mile back from the highways. The rest of the land
23 is the major part -- in the major part federal and native owned. The highway
24 runs through this area and businesses provide places to gas up, go to pot and

1 eat. A small population survives by, as the old phrase has it, taking in
2 each other's wash. A river runs through it with the area's notable and
3 enduring resource, fish. The commercial exploitation of the fish provides a
4 few jobs here, the rest of the fish related activity is in a different area
5 presently under consideration as a separate borough which is in violation of
6 the economic activity coherence.

7 The Copper River area is defined -- a defined geographical region with
8 common physical features. The human component is quite diverse, native, non-
9 native, high levels of formal education and the converse of education, low to
10 high income levels, people who rarely leave, others who travel widely. There
11 exists a broad spectrum of belief systems and lifestyles. It is really a
12 very American mix.

13 Modern technology and living standards prevail and they're almost
14 totally dependent on the outside area for income, food, services and energy.
15 We do have a sustaining -- do we have a sustaining economy? Well, no. The
16 resource utilization capitalizes on the scenery by way of a national park and
17 a summer tourist hotel and many small tourist oriented accommodations. We do
18 not have a tax base to support a borough. We do have a multi million dollar
19 brand new hotel curiously minimal with all the class of a mine barracks. In
20 fact, the owners brag about the mine style decor. Had it included a swimming
21 pool open to the locals year round it would have been a truly great community
22 asset. To be a centerpiece of the borough it would have to include a
23 convention center equal to Valdez. The area has the scenery, but the rest,
24 the commercial developments needed to support the borough does not exist.

25 In the summary in the book we feel are wrong and it appears that they
26 have used the mean rather than the average to arrive at what they call the
27 averages. Thank you very much for being able to testify.

1 CHAIR WARING: Thank you Mr. Lightwood. Are there other parties
2 there who wanted to speak?

3 MR. WENGER: Yes, sir, I would like to speak. My name is John
4 Wenger, I'm chairman of the Kenny Lakes Soil & Water Conservation District, a
5 state agency like you, and our board like you are volunteers.

6 CHAIR WARING: Let me interrupt for a moment. Could you, please,
7 for the record spell your last name, Mr. Wenger, and then.....

8 MR. WENGER: W-e-n-g-e-r.

9 CHAIR WARING: Thank you. And we -- the microphone is yours for
10 three minutes.

11 MR. WENGER: Oh, thank you. Anyway we've never been contacted by
12 your office in any way, shape or form. All of Alaska's divided into these
13 conservation districts and if you want to know what's going on in these areas
14 they'd be the first people to contact. By reviewing your report I see
15 nothing but misinformation, inconsistencies and guesses. I'm not saying your
16 people don't work hard, but without any members being on your board from the
17 unorganized areas or representation from the unorganized areas I see a one-
18 sided deal.

19 I think everybody in -- on this -- whoever hears this needs to request
20 more time for a proper digestion and comment on this document. On the Valdez
21 radio the other day he told me that you had five board members all volunteer,
22 one secretary paid very little and it makes me look at your creditability
23 real serious and right now I see that you have none. And to gauge the Copper
24 River Valley economy on an aging pipeline 30 years old, two pump stations
25 that are slated for closure and it's, gentlemen, ludicrous. Thank you.

1 CHAIR WARING: Thank you, Mr. Wenger, I believe we have a
2 question from Commissioner Tesche.

3 COMMISSIONER TESCHE: Yes, Mr. Wenger, this is Allan Tesche, a
4 member of the Commission, I certainly appreciate your time in speaking to us
5 today. And I just want to note for the record that we do have the record
6 open until I believe February 14th to accept any additional commentary that
7 you would like to make or anybody else up in the Copper River area.

8 Certainly I am concerned about your claim there are inconsistencies,
9 indeed even falsehoods in the report. Anything specifically that you can
10 point out I would certainly want and welcome to receive because I'd like to
11 make sure that our report is as accurate as it can be before we submit it to
12 the Legislature within their deadline. So thanks for your testimony, I'll
13 look forward to your written comments.

14 CHAIR WARING: Thank you, Mr. Wenger. Is there anyone else at
15 Kenny Lake who wish to speak to us?

16 UNIDENTIFIED VOICE: Not at the moment, we're still 20 minutes
17 early.

18 CHAIR WARING: Well, thank you and.....

19 UNIDENTIFIED VOICE: We'll leave this open for awhile, I guess.

20 CHAIR WARING: We would appreciate that. We'd like to -- and
21 anyone who does come when we return from recess we will take them before we
22 move on to Eagle and then Dan Boone. But for the moment it's 10:36 here, we
23 will recess for 10 minutes and return at 10:46.

24 UNIDENTIFIED VOICE: Should we leave the line open?

1 CHAIR WARING: That's fine.

2 UNIDENTIFIED VOICE: Okay. Thank you.

3 CHAIR WARING: Thank you.

4 (Off record)

5 (On record)

6 CHAIR WARING: This is the Local Boundary Commission hearing
7 returning from recess. We will -- I believe we've got Linda on line in Eagle
8 who is -- wish to address the Commission, is that correct?

9 MR. NELSON: This is not Linda, but yes, she's here.

10 CHAIR WARING: Okay. Well, whoever it is we would be glad to
11 hear from you. Please identify yourself and spell your name so we will have
12 it accurate in the record and give us your three minutes of thoughts, please?

13 MR. NELSON: Okay. This is Jerry Nelson, N-e-l-s-o-n. Good
14 morning. I thank you for the opportunity to address you today. I'm the
15 mayor of Eagle, I have been on the city council for the better part of 26
16 years. The reason I am addressing you today is to refute some of our
17 Legislatures' statements like, it's time for the Bush to pay it's own way or
18 it's only fair that those that can pay should pay for government.

19 Certainly the City of Eagle does not fall into those categories. For
20 many years we've taxed our property owners. The money we didn't use from
21 those taxes we saved. We also saved monies from selling city property.
22 After many years of saving and investing the city council voted unanimously
23 to set the city's tax mil rate at zero. Since 1997 we have not charged our
24 residents taxes. We have enough to run the City of Eagle without taxing our

1 residents. The only reason we can do this was because we refused literally
2 millions of dollars flowing from our oil tax rich capital.

3 At reelection time we were pummeled with offers of million dollar plus
4 recreation centers, new city hall building and so on. None of which we took.
5 When the city informed us that we had 400,000 to \$1 million waiting for us to
6 build a firehall we, again, voted unanimously to build our own firehall. We
7 built ourselves a perfectly adequate building for -- in 1979 for \$21,000.
8 This -- with a gasp and told us we could never build a fire marshal approved
9 building for \$21,000. It was soon fire marshal approved and all I got from
10 the state was a headache and several years later they finally reimbursed us
11 for our \$21,000. I should go on, but I only have three minutes.

12 During this time of flowing money the city council did not build a
13 structure we someday could not afford to maintain. Our city fathers knew
14 that someday the oil monies would stop. I am proud of the City of Eagle for
15 not taking your millions and taking it upon ourselves to save for Eagle's
16 future.

17 Several years ago we were -- there was talk about putting us in a
18 borough. The city council set aside monies to fight this thing in court if
19 we have to. This is how strongly we feel about our Legislatures representing
20 us. I plead with you to not penalize us for our frugality. Many of our
21 residents are truly afraid that you are going to tax them out of our simple
22 way of lifestyle. If you want to save taxes in Eagle, close the school. The
23 city council has a plan to teach our 18 children that doesn't include an over
24 built, \$3 1/2 million school. Thank you for your time.

25 CHAIR WARING: Thank you, Mr. Mayor. Any questions?

26 MR. NELSON: We have one other person who would like to speak.

1 CHAIR WARING: Well, please, come forward then.

2 MR. BORZ: Good morning. My name is Ron Borz, B-o-r-z. I've
3 been a resident of Eagle since the spring of 1968. I find it kind of
4 interesting that Eagle was bypassed in the Upper Tanana Basin time allotment
5 if you'd like us to be part of the borough. Our time slot for the Upper
6 Tanana Basin has already been passed and we were not contacted with -- during
7 that time to speak. However we are here and patiently waiting.

8 I read as much as I possibly could from the drafts that were submitted
9 and the numbers, of course, as others have mentioned are suspect. The
10 population in Eagle is declining, I see no prospects of mineral or petroleum
11 development to create jobs since we have Canada on one side of us and the
12 national park on the other side and we're surrounded by areas that would
13 prevent any systematic development.

14 I realize that one of the objects of including communities into a
15 borough is to support the school. The economy of Eagle would be unable to,
16 as Mr. Nelson pointed out, support this \$3 1/2 million school for a week no
17 matter how you tax the community. Your -- there are less now -- there are
18 less people than what is indicated in your draft and as far as the economy is
19 concerned I have tallied the residents in the community of Eagle, in the city
20 proper.

21 We have three individuals who work a 40 hour job out of what you claim
22 to be 129 residents. And from there on it goes down rapidly into private
23 enterprise, one state employee who works year round and most of the year as a
24 part-time for road maintenance, two individuals for the power and telephone,
25 it used to be 40 hours but now that's been reduced and seasonal workers,

1 part-time workers, those who do crafts to supplement their means and retirees
2 and others who are on public assistance.

3 Eagle has present -- is presently functioning as a community government
4 and has been for 102 years and we do this by volunteers. And the volunteer -
5 - the council members are all volunteers, nobody gets a check from the city,
6 the library is -- functions very well with volunteer librarians, our fire
7 department is all volunteer. And looking around the community we have a
8 number of small cabins and houses that are for sale which indicates that our
9 population is not increasing and the economy is not booming.

10 CHAIR WARING: Mr. Borz, the three minute timer has rung, could
11 you please conclude?

12 MR. BORZ: Yes, indeed. Thank you very much for taking my
13 testimony. I would encourage some of the members who are enthusiastic about
14 getting even a place so far removed, 170 miles from Tok, to come on up here
15 and see what services could you possibly provide and what could we supplement
16 the borough with from this community. I'd be surprised if there's any of you
17 who have been here on an official basis. Thank you very much. I appreciate
18 your hearing me.

19 CHAIR WARING: Thank you, Mr. Borz. Thank you for taking the
20 time to speak to the Commission. If -- let me check, is there no one else at
21 Eagle who wish to speak to the Commission?

22 MR. NELSON: No one else. Thank you.

23 CHAIR WARING: Thank you, Mr. Mayor, thank you, Mr. Borz. We
24 will then go on to Mr. Boone in Chitina if he is still on line.

25 MR. BOONE: Yes, sir.

1 CHAIR WARING: Thank you.....

2 MR. BOONE: Can you hear me?

3 CHAIR WARING:for your patience. And please identify
4 yourself and spell your name and, please, tell us what is on your mind.

5 MR. BOONE: Well, my name is Daniel Boone, last spelling is B-o-
6 o-n-e, I'm the deputy chief of the fire department in Chitina, Alaska. And
7 I'm calling in today on behalf of most of the population in Chitina itself.
8 We've gone through some of your figures here concerning unemployment, number
9 of dwellings, et cetera and they're very, very far fetched, very inaccurate.
10 Once we found this out I took the opportunity yesterday to call many of the
11 other outlying areas in the Copper River area, I've talked to three people in
12 almost every small town in the Copper Valley. They all say the same thing,
13 that the figures are very inaccurate.

14 Chitina itself you have down as having only a 37 percent unemployment
15 rate in which the correct figure should state about 97 percent unemployment.
16 Population in poverty, you have 17, that should be booted up to about 31
17 households. The list goes on and on, the inaccuracy of your figures can be
18 very detrimental for our community.

19 Another thing I noticed there's other communities that have not been
20 put down such as i.e., Strelna, Silver Lake, Chokosna.

21 But the main reason I'm calling is there is not a tax base here, nor is
22 there a population sufficient enough or enough businesses to support a tax
23 base in Chitina. I feel that you would be doing detrimental harm to the
24 entire population and also to the businesses that would have to be folding up
25 because their prices have to go up too high and some of the -- a lot of the

1 land owners would theoretically start losing their properties after two to
2 three years of non-payment of taxes. I wish there was other -- I have one
3 more party here that would like to speak on this also.

4 CHAIR WARING: Thank you, Mr. Boone. We will forward your
5 comments with our report to the Legislature, they will be part of the record.

6 MR. BOONE: All right.

7 CHAIR WARING: Next, please.

8 MR. HEM: Hello, my name is Bart Hem, I'm a resident here of
9 Chitina. I also own Chitina One Stop which is a gas station and grocery
10 store here in Chitina. And I'm.....

11 CHAIR WARING: Bart, could you please spell your last name?

12 MR. HEM: H-e-m.

13 CHAIR WARING: Thank you. Please provide.

14 MR. HEM: I also am opposed to being included in this down here
15 in Chitina. As the previous man stated, there's just not enough tax base
16 here. The people that live here are poverty or well below poverty level.
17 Most of them are on state aid of some form, they're on WIC, a lot of programs
18 to help subsidize them because they don't have enough income.

19 I also agree that the figures on your last census are wrong. That
20 census was done in the summertime when a lot of people were here that are not
21 residents of the state of Alaska, but they have a home here or a cabin that
22 they come and stay primarily so that they can get Copper River red salmon.

23 And that's about all I would have to add at this time. Thank you.

1 CHAIR WARING: Thank you, Mr. Hen. Does that conclude the
2 persons at Chitina?

3 MR. BOONE: Yes, it does. I believe due to the Harp Road
4 (ph).....

5 CHAIR WARING: We may have a -- thank you, if you'll wait a
6 moment, we may have a question. Commissioner Tesche.

7 COMMISSIONER TESCHE: Yes, Mr. Chairman, just a quick comment to
8 the residents of Chitina who came down to testify today. If you have any
9 additional information that you would like to offer the Commission,
10 particularly any corrections or any statement that you'd like to make in
11 writing as far as our statistics or the data that are used in the draft
12 report, I'd certainly like to see those sent to the Commission before
13 February 14th because the record is still open and I know you have some
14 concerns, I think, about the population data as an example. Any corrections
15 or any written comments you could make would be most appreciated by that
16 time.

17 CHAIR WARING: Thank you, Commissioner Tesche. I would say, too,
18 I think, the official date of the census is -- was April 1st or April 15th.
19 It's not in my memory exactly which date, but there's a common date
20 throughout the state in which that -- and the country which -- that is the
21 official date of the census so it would not be later in the spring or summer
22 when seasonal visitors were there.

23 The figure for Chitina also may be more than for just the immediate
24 settlement at Chitina. There are some jurisdictions called census -- that's
25 designated places which in rural areas may include the settlement and a
26 substantial area around those individual settlements and tally those persons

1 too, those residents too into the apparent total for a locality. But thank
2 you for participating in the hearing today.

3 I believe -- I'm not sure that we, bear with me a moment, have anybody
4 else on telephone line.

5 MR. BRITTON: Commissioner. Hello.

6 CHAIR WARING: Yes, who's speaking, please?

7 MR. BRITTON: This is Steve Britton (ph) in Kenny Lake again. We
8 do have some folks that have showed up that wish to testify.

9 CHAIR WARING: Thank you, Steve. Then would that person, please,
10 come forward?

11 MR. DEVENS: Okay.

12 CHAIR WARING: And could they, please, identify themselves, spell
13 their last name and tell us what is on their mind?

14 MR. DEVENS: Hello, my name's John Devens, I'm president of the
15 Copper River Valley Farm Bureau and I'd like to thank you for the opportunity
16 to testify here and give you a few of our comments.

17 CHAIR WARING: Could I interrupt for just a moment and ask
18 you.....

19 MR. DEVENS: Certainly.

20 CHAIR WARING:to spell your last name so we'll have it
21 correct in the record?

22 MR. DEVENS: D-e-v-e-n-s.

1 CHAIR WARING: Thank you.

2 MR. DEVENS: And I'd just like to say right off the bat that we
3 haven't had enough time to completely go through the entire document. What
4 we have looked at though -- we've started a running list of the blatant
5 inconsistencies in what we found in the information. I don't know how you
6 arrived at some of this stuff, but I can tell you that a lot of it is
7 incredibly inaccurate for instance the average cost of a house here in this
8 valley.

9 I own and operate a construction company for about the last 12 years
10 here in this valley and I can tell you that three-quarters of the houses in
11 this valley wouldn't qualify for bank financing. Half the houses -- homes in
12 this valley don't have well or septic system. And I'd say probably more than
13 one-third of the houses in this valley are 1,000 square feet or less.

14 And so, you know, based on what I've seen of the document we're a
15 valley of some absolute financial wizards to have an average income of around
16 \$16,000, but we're still buying these homes that are over \$160,000 on
17 average. I mean, it just doesn't compute I don't think. I don't know, you
18 don't have to have much of a talent for counting to be able to see that.

19 I would ask for more time to be able to go through this more
20 thoroughly. We've split this up into a committee that each takes a section
21 and writes a summary, but the timing has just been far too short.

22 Anyway I'd like to conclude and thank you again, turn this over to
23 someone else.

24 CHAIR WARING: Well, thank you for your comments. Please don't
25 go yet. We do need to submit the report -- we will submit the report to the

1 Legislature on February 19th. Any comments that you or your organization can
2 get to us, February 14th will go with our report to the Legislature. Any
3 comment that you might send us after that date we will also forward in the
4 wake of our report.

5 I do want to take just one moment for a technical explanation of where
6 that housing value information comes from. It is the information from the
7 2000 census, it is information that the census collects on a sample basis.
8 The values are actually the self reported value of the home owners who answer
9 that question of the census. And so that information is information that the
10 census collected and is provided by residents of the areas and the
11 localities. So the Commission isn't the source of that information, the
12 census isn't the source of that information, the information is based on what
13 residents of the region in the sample questionnaire tell the census bureau
14 that they estimate the value of their house to be. And I just wanted to make
15 that clear that no one is making, at least on the Commission or the census
16 bureau is making up these numbers, they do come from the information reported
17 by homeowners and residents of the areas that are surveyed in the census.

18 MR. DEVENS: If I could make one comment since you brought up the
19 census, I'd just like to make one last comment if I might based -- since you
20 brought up the census.

21 CHAIR WARING: Yes, who's speaking, please?

22 MR. DEVENS: The census was done here in the summer.

23 CHAIR WARING: Who is speaking, please?

24 MR. DEVENS: Excuse me?

1 CHAIR WARING: I just wanted to ask you to give us your name,
2 please?

3 MR. DEVENS: Oh, this is John Devens again.

4 CHAIR WARING: Yes, sir.

5 MR. DEVENS: The census was done here in the summer. The
6 supervisor rented a cabin from me for the summer, for June, July and August
7 was when they conducted the census here in this valley.

8 CHAIR WARING: Thank you then for that correction.

9 MR. DEVENS: All right.

10 MR. BULLOCK: Mr. Chair.

11 CHAIR WARING: Yes?

12 MR. BULLOCK: Mr. Chair, this is Ed Bullock up in Slana, I'd like
13 to make a couple of quick comments, please.

14 CHAIR WARING: Did you already address us,
15 Mr. Bullock?

16 MR. BULLOCK: This is -- yes, I did, but this is on a couple of
17 things that I think you should know. It doesn't pertain exactly to making a
18 testimony.

19 CHAIR WARING: Please take one minute.

20 MR. BULLOCK: Yes, sir, thank you. Just thought I'd let you know
21 there's at least a dozen people here at Duffy's Cabin, a few more that have
22 not even seen the document that is in question today, no one has -- knows

1 anyone that does and also to of the census here in Slana was done in late
2 winter, March, April and that there were only, I think, about 124 people that
3 were accounted for in the greater Slana area at that time and that the census
4 in the Slana area has never been accurate. Thank you, sir.

5 CHAIR WARING: Thank you, Mr. Bullock. Let's see, 11:09.

6 UNIDENTIFIED VOICE: Mr. Chairman?

7 CHAIR WARING: Could you bear with me a moment? We have used up
8 all of the time that was allotted on the schedule for comments from the
9 Copper River and Upper Tanana Basin regions. We will -- what I would like to
10 do is, as we have got on our schedule, is move forward to the Prince William
11 Sound area. They had a time set when their turn to speak to the Commission
12 would come.

13 If you want to stay on the line and we -- they do not use up all of the
14 time allotted in the schedule for them we'll hear you then. We will hear any
15 and all comments certainly at the -- after 2:55 when we will have worked our
16 way through all of the slotted times. So if you did want to further address
17 the Commission, please, hang on and maybe there will be an opportunity
18 shortly or at 2:55.

19 We will thank all of those residents in the Copper Basin and Upper
20 Tanana region for participating, we will now move onto the Prince William
21 Sound area. We do have, I believe, on line the Valdez Legislative
22 Information Office, is that correct?

23 UNIDENTIFIED VOICE: Yes, we're here.

24 CHAIR WARING: Thank you.

1 CHAIR WARING: And if there is anyone at the Cordova Legislative
2 Information Office could they, please, respond?

3 UNIDENTIFIED VOICE: I have one person here.

4 CHAIR WARING: Thank you. We do also have a number of persons
5 here in the -- at the Anchorage site who I think will want to speak during
6 this period. Let me just begin with the Cordova site and if there is anyone
7 there who did wish to speak could they, please, identify themselves and spell
8 their names and, please, tell the Commission what they wish to say. We have
9 three minutes allotted for individuals to address the Commission.

10 MR. HAHN: Thank you. My name is Scott Hahn, I'm the city
11 manager at the City of Cordova. I've only been on board for several weeks
12 and I've looked at your document, it looks pretty extensive. I'm not able to
13 comment on your methodology or statistics, but it seems the conclusions are
14 favorable on borough formation.

15 You know, the City of Cordova has been looking at this since 1960 and
16 so it's of utmost importance to this community that the Prince William Sound
17 borough go forward. I think that the whole approach with this study was to
18 take a more rational approach rather than leave it to conjecture and you have
19 done that. And I would say that there's something to be proud of. We just
20 wish that if as we move forward we keep a positive attitude and we keep
21 pushing for it on this borough formation and not just allow the study to be
22 shelved at some point in time. We think you've done a very good job. As I
23 say I can't really comment on the methodology or statistics at this time.

24 I have one other person, do you want him to speak?

25 COURT REPORTER: I didn't get Scott's last name.

1 MR. KOPLIN: My name is Clay Koplin, I'm an engineer at the
2 electric utility.....

3 CHAIR WARING: Could I interrupt for a moment, please? Could the
4 city manager, please, for our transcriber, spell his last name?

5 MR. HAHN: Hahn, H-a-h-n.

6 COURT REPORTER: And Clay's name.

7 CHAIR WARING: Okay. Thank you. And then if the next person
8 could, please, identify themselves, spell their name and speak to us?

9 MR. KOPLIN: The name is Clay Koplin. That's C-l-a-y K-o-p-l-i-
10 n.

11 CHAIR WARING: Thank you, please proceed.

12 MR. KOPLIN: I've reviewed the draft documents prepared by the
13 Local Boundary Commission in detail and have the following comments and
14 suggestions. The Boundary Commission report demonstrates that the economy of
15 the Prince William Sound model borough is ranked fourth in the state and
16 first of the eight unorganized regions modeled. That economic strength is
17 due in large part to the strong economy and growing population of Valdez and
18 is not indicative of the economy of the entire region.

19 A snapshot of the present demographics of this region make it
20 advantageous for most of the communities in Prince William Sound to organize
21 into the model borough. While the Valdez economy could suffer negative
22 impacts in the short term the future economy of Prince William Sound will
23 depend upon the development of resources within the entire region. Valdez

1 doesn't have the large natural resource base that the rest of the model
2 bureau can develop for future growth.

3 It's ironic that in the 1960s the concern of Valdez was that they would
4 be left out of the Prince William Sound Borough and the resources in the
5 region. The construction of the natural -- the oil pipeline changed that, of
6 course. What I'm demonstrating is that we need to look at present needs and
7 future needs in considering organization of this borough. The known coal,
8 oil, natural gas, minerals, fisheries, timbers and renewable energy resources
9 in the model borough can build a strong economy for the entire region.

10 I support the formation of the Prince William Sound Borough. I urge
11 the Legislature to consider forming this borough for the economic viability
12 of the entire region, both present and future. Joining the resources and the
13 destinies of the communities in the region promote cooperative development of
14 the resource base and diversifies the economy of the entire region. Regional
15 competition for the same resources does not benefit the local stakeholders or
16 the state of Alaska at large.

17 CHAIR WARING: Thank you, sir, for your comments. Any questions.
18 Thank you. Is there anyone else at the Cordova LIO site?

19 UNIDENTIFIED VOICE: Not at this time. If someone comes in late
20 can I -- can we check.....

21 CHAIR WARING: Yes, please do.

22 UNIDENTIFIED VOICE:(indiscernible - simultaneous speech)
23 used up all the time? Thank you.

24 CHAIR WARING: Just when another speaker has concluded just tell
25 us that you another party there. We'll move then to the Valdez LIO office

1 where I understand Mr. Dengel, the city manager of Valdez and perhaps others
2 are waiting to speak to us?

3 MR. DENGEL: Yes, I'm here. My name is Dave Dengel, D-e-n-g-e-l
4 and I'm city manager for City of Valdez. Couple of things, I was just
5 sitting here listening to the Cordova bunch and between living in Cordova and
6 living in Valdez I probably have 17 or 18 years of living in Prince William
7 Sound and working for local government. So I think I'm speaking with a
8 little bit of.....

9 CHAIR WARING: Excuse me, Mr. Dengel, could -- if you could talk
10 a little bit closer to the mic we might get better audio here in Anchorage?

11 MR. DENGEL: Oh, I can't get any closer than without sitting on
12 it.

13 CHAIR WARING: Oh, then.....

14 MR. DENGEL: (Indiscernible - distortion) one of those problems.

15 CHAIR WARING: Okay. Well, we'll.....

16 MR. DENGEL: (Indiscernible - distortion).....

17 CHAIR WARING: You're coming across the -- the technician thought
18 it might be a little bit better if you were forward, please, just continue.

19 MR. DENGEL: Okay. I'm -- how's this?

20 CHAIR WARING: You can start all over if you need, I'm sorry to
21 have interrupted your thought.

22 MR. DENGEL: Okay. As I was saying I think between living in
23 Cordova and living in Valdez I've got between 17 and 18 years living in

1 Prince William Sound and dealing with this borough issue since 1984 when I
2 first moved to Cordova. I think -- you know, this whole thing is just
3 getting a little confusing. You know, we -- you know, Valdez has continued
4 for the last 13 years, 14 years that I'm aware of to talk about this, but I'm
5 not sure that the Local Boundary Commission and the Legislature is really
6 listening to us or want to listen to us. So a lot of the things I'm going to
7 say to you I've said over and over again for the last 13 years and, you know,
8 we're going to continue to say those things.

9 Looking at your study, and again I didn't have a lot of time to look at
10 it, I just got the last chapter -- chapter one I think I got either yesterday
11 or the day before so we haven't even looked at that, but I'm -- so I can't
12 really speak to the facts other than just, you know, my own personal
13 observations of the little bit that I scanned through it.

14 In chapter three you talk about how we're the -- Prince William Sound
15 is, I believe, it's -- I can't quote it exactly, but something about that
16 we're the largest unorganized area in the state. And then you go on to talk
17 about the population, that there's about 6,900 people that live within the --
18 this Prince William Sound model borough that you've drawn up. And if you
19 look at that there's 6,600 people live in organized communities between
20 Valdez, Cordova and Whittier and those three communities all tax themselves
21 and all pay their share of education. That leaves about 200, almost 300
22 people that live outside those three communities.

23 Now of that 300 people there's about 200 live in Tatitlek and Chenega
24 so that leaves about 100 people that live outside of the incorporated
25 municipalities and the villages. Now I don't know where all those folks live
26 out there, but I guess, you know, we're a pretty big area so they're probably
27 scattered amongst the islands and everything.

1 But my point is that we are organized, you know, we're organized in
2 smaller governmental units. And I understand what you're trying to do and
3 that is to organize us into larger governmental units, but we are organized,
4 we are in a borough, it's called the unorganized borough, we do have an
5 assembly and that assembly is the Legislature. So in my view we are
6 organized into a borough and that's -- that's the way it should probably stay
7 for the time being.

8 The speaker in Cordova mentioned that there's a lot of resources out in
9 Prince William Sound such as coal, oil, gas, fisheries, timber, et cetera. I
10 can remember the Bering River coal fields being talked about in 1984 and even
11 before that. I'm not sure -- I'm not sure that there's a market for that.
12 They've talked about it forever, Chugach Retail Corporation's been talking
13 about that for quite a long time.

14 They've been talking about the oil down at Katalla for a long time and
15 Katalla was probably -- I think was the first oil field developed in Alaska.
16 And at one time I think that were 10,000 people living down there, but now
17 there's nobody living down there. Timber, I'm not -- you know, the timber
18 market's real soft right now and probably will remain soft for quite a long
19 time and I -- I just can't see -- and the fishery is in a decline right now
20 and I can't see that that's going to be coming back in -- in any time soon.
21 And I understand.....

22 CHAIR WARING: Mr. Dengel, we do have three minutes allotted to
23 each speaker.

24 MR. DENGEL: Well, I'm the only one here so can I keep talking,
25 can I use up the whole time?

1 CHAIR WARING: There are other people, I think, here in the room
2 who are waiting for their opportunity to speak.

3 MR. DENGEL: Okay.

4 CHAIR WARING: We will certainly will take
5 any.....

6 UNIDENTIFIED VOICE: (Indiscernible - simultaneous speech) give
7 my time to Mr. Dengel.

8 CHAIR WARING:written remarks of any length.....

9 MR. DENGEL: Okay.

10 CHAIR WARING:that you'd wish to submit.....

11 MR. DENGEL: Okay.

12 CHAIR WARING:us, but I do want to.....

13 MR. DENGEL: How much time do I have left?

14 CHAIR WARING: I think your three minutes are passed.

15 MR. DENGEL: Well, then let me -- let me just finalize then by
16 saying.....

17 CHAIR WARING: Please do.

18 MR. DENGEL:that at this time the City of Valdez opposes
19 any formation of the Prince William Sound Borough. If you want -- what you
20 should look at is with the current redistricting if you want to form some
21 type of a model borough, probably Valdez should be included in the one that

1 goes north up the Richardson Highway. Our present legislative house district
2 goes all the way to North Pole. Our senate district also goes up there.
3 We're not in the same senator (ph) district as any other community or region
4 in Prince William Sound.

5 CHAIR WARING: Okay.

6 MR. DENGEL: And I think you need to take a real close look at
7 the economics of Valdez and the economics of the TAPS pipeline. You've heard
8 me say this before, the value of that pipeline is going down and with the
9 recent.....

10 CHAIR WARING: Thank you, Mr. Dengel. Do any Commissioners have
11 questions? If you do have more information you wanted to submit we would
12 welcome receiving it by mail or e-mail comment.

13 MR. DENGEL: Thank you. If there's more time can I continue?

14 UNIDENTIFIED VOICE: Is he a lawyer?

15 MR. DENGEL: Will you come back to me, I mean,.....

16 CHAIR WARING: Someone asked if you're a lawyer, sir?

17 MR. DENGEL: I'm not a lawyer, but we -- you know, we do have
18 until 11:40 so if there's nobody else, you know, you can come back to me.

19 CHAIR WARING: Thank you.

20 UNIDENTIFIED VOICE: (Indiscernible - distortion).....

21 CHAIR WARING: Is there someone else at Valdez there who was
22 hoping to speak to us?

1 MR. LYNN: Yes, my name is Patrick Lynn (ph) and I would like to
2 scede (ph) my time to Mr. Dengel, please.

3 CHAIR WARING: I'm sorry, Mr. Dengel, as everyone else has three
4 minutes.

5 MR. LYNN: He can have my three minutes though.

6 CHAIR WARING: You can use your three minutes, you don't have it
7 to give away.

8 MR. LYNN: So it's not my three minutes apparently. Okay. Thank
9 you very much.

10 CHAIR WARING: Thank you. We do -- is there anyone else at
11 Valdez who wish to make a personal statement? Then.....

12 UNIDENTIFIED VOICE: Valdez has no one at this time.

13 CHAIR WARING: Well, thank you. We will -- if you wish to keep
14 on line in case anyone else shows up in the -- before.....

15 UNIDENTIFIED VOICE: (Indiscernible - distortion).....

16 CHAIR WARING:recess at 2:55 we'll have an opportunity for
17 them to speak. Meanwhile we do have some persons here in the room, I
18 believe, representing Whittier, some of whom may wish to speak to the
19 Commission.

20 UNIDENTIFIED VOICE: Oh.

21 UNIDENTIFIED VOICE: Yes.

1 CHAIR WARING: And I do understand too we have a person from
2 Whittier on line. We will take that person too in order.

3 UNIDENTIFIED VOICE: (Indiscernible - simultaneous speech) first.

4 CHAIR WARING: Pardon me?

5 UNIDENTIFIED VOICE: Let that person go first, I'll.....

6 CHAIR WARING: The persons here in Anchorage have deferred to the
7 person who is on line.

8 UNIDENTIFIED VOICE: (Indiscernible - distortion).....

9 CHAIR WARING: We are not getting very good reception, let me get
10 -- see if we can get some clues on how we might improve our ability to hear
11 you.

12 (Off record comments)

13 CHAIR WARING: Is Whittier on?

14 UNIDENTIFIED VOICE: Yes, Whittier's here.

15 CHAIR WARING: Okay. Well, if you could, please, identify
16 yourself and would you or whomever it is that wants to speak with the
17 Commission, please -- pardon me, identify themselves and spell their last
18 name and the mike is yours for three minutes.

19 MR. ELDRIDGE: Yes, my name is Charlie Eldridge, I'm a city
20 council member here in Whittier, can you hear me all right?

21 CHAIR WARING: Yes, we're hearing you fine now, sir, and could
22 you, please, spell your name?

1 MR. ELDRIDGE: E-l-d-r-i-d-g-e.

2 CHAIR WARING: Thank you. Please proceed.

3 MR. ELDRIDGE: We have members of the city and the city council
4 there in your chambers, I believe, to make our statements for us and our
5 mayor is there and so forth so we're just going to sit back and listen to the
6 results.

7 CHAIR WARING: Thank you for alerting us all to that. And if you
8 do wish to speak or anyone there does we will come back to you. Yes, sir?

9 COURT REPORTER: And pause for a minute so I can change the tape.

10 MR. ELDRIDGE: Thank you.

11 CHAIR WARING: Time out for a moment, we have got to switch
12 tapes.

13 (Off record)

14 (On record)

15 CHAIR WARING: A ceremonial moment.

16 COURT REPORTER: Okay. You may proceed.

17 CHAIR WARING: Sir, please proceed.

18 MR. JONES: Good morning, Commission members. My name is Leonard
19 Jones, I'm the interim city manager for the City of Whittier. And first off
20 I was not aware as many of the city council members or city government was
21 that this document was being circulated. We have not had time, number one,
22 to review the document properly.

1 I also would like to have the time or bring your attention to a 1976,
2 '77 feasibility study by the Prince William Sound economic community or
3 council at the time which surveyed the communities within the Prince William
4 Sound, that being Tatitlek, Chenega, Whittier, Cordova and I believe, Valdez
5 at the time. And there was a feasibility study and we saw it, as I
6 understand it, that we support a borough creation in Prince William Sound.

7 I understand from your earlier comments that we have until February the
8 14th to make comment to the Commission on your proposal at this time to be
9 submitted to the Legislature and Whittier will most definitely make an
10 attempt to get a written document to you as far as the concerns that we have.
11 We would like to see, like I said earlier, the creation of a borough specific
12 to the Prince William Sound and have the support of the other communities in
13 Prince William Sound to handle their own destiny. That includes, we would
14 hope, Valdez at some point in time.

15 With that being said I don't have a lot more. I was trying to go
16 through the document early this morning when I got here, but it's difficult
17 to do in less than an hour. So we have comments that we will make in our
18 city council and I will get together -- we'll put together a document for
19 your review. Thank you.

20 CHAIR WARING: Thank you and I hope you will be able to comment
21 by the 14th. We will -- that will go to the Legislature with our report, if
22 it comes after it will go to the Legislature, but following our report. We
23 do have and it was shared with the Commissioners the 1997 and, I believe, the
24 1988 Prince William Sound Borough feasibility studies that were.....

25 MR. JONES: Okay.

1 CHAIR WARING:done. If there is another report of that
2 sort, I think.....

3 MR. JONES: It may be the same report, I got '96, '97 from a
4 former council member.

5 CHAIR WARING: Okay.

6 MR. JONES: I plan to verify that information also.

7 CHAIR WARING: Okay.

8 MR. JONES: Because I understand that that was borough wide or
9 not borough wide, but unorganized borough wide there in the Sound. So it has
10 some positive information in it that I don't know is in this document that
11 you're presenting to the Legislature. And that's what I want to insure that
12 is there.

13 CHAIR WARING: We have all had copies of it.....

14 MR. JONES: Okay.

15 CHAIR WARING:and appreciate your calling it to our
16 attention.

17 MR. JONES: Okay. Thank you very much.

18 UNIDENTIFIED VOICE: Hello, this is Cordova information, I had
19 another person show up.

20 CHAIR WARING: Thank you, we'll come back to you in a moment, we
21 do have a person sitting down to speak to us.

1 MR. LUNCEFORD: Thank you, Mr. Chairman, Commissioners. My
2 name's Lester Lunceford, I'm the mayor for the City of Whittier. Last name's
3 spelled L-u-n-c-e-f-o-r-d. I'd like to echo what our city manager just said.
4 Unfortunately we have gone through some changes out there in Whittier and we
5 recently received this document. I spent about a half day reading through
6 it. I don't completely understand it, yet I would like to have a little more
7 time to present a more formal, maybe a written response to this document. So
8 I just wanted to echo our city manager's thoughts on this. Thank you.

9 CHAIR WARING: Thank you, Mayor Lunceford.

10 MS. DALENA: My name is Cheryl Dalena, D-a-l-e-n-a from Whittier.
11 And I'm a resident of Whittier and I am speaking as a resident with my
12 concerns and I have nine people that have asked me to include them in my
13 comments. So we will send those names as well, but I want you to know there
14 are very -- a great number of people in Whittier that are trying to review
15 the document and they're trying to put together a unified comment. But it is
16 a cumbersome document and we are trying to make valuable comments.

17 On behalf of those people that have spoken to me and myself, we are
18 very concerned about the education situation and we want a clear plan laid
19 out for education. Because we are part of the Chugach School District and
20 the education issues that have impacted the students of Whittier are very,
21 very powerful. So we need to keep going in the positive direction that we
22 are going and we want to make sure a clear plan that will allow us to move
23 forward with the direction we're going continues. We do not want to have to
24 change our focus completely so we are very concerned about the education
25 issues.

1 Our second issue that we are very concerned with are financial issues
2 related to assessment of properties and revenues from that assessment. And
3 we just want to have people look very carefully at the actual land ownership
4 in Whittier, because there is very little privately owned land in Whittier,
5 very little city owned land in Whittier, to develop a tax base from.

6 So we are very concerned about that and we want to make sure those
7 issues are addressed very, very carefully, very specific to Whittier. And
8 with that we want to evaluate the comments much more carefully as a group and
9 present more unified comments to you with names and numbers of people who are
10 saying these things. Thank you.

11 CHAIR WARING: Thank you for coming to represent your group. Let
12 me just say that you might not have caught some of the earlier discussion,
13 this is a fact finding document, it is not a decision making document. It is
14 the Legislature that will decide what to do with it. So beyond the
15 Commission I think that is the audience that you as well need to make sure
16 knows what you're sentiments are.

17 MS. DALENA: And we will, thank you.

18 CHAIR WARING: I trust you will. Yes, sir?

19 MR. DELORENZO: Good morning. My name is Richard DeLorenzo, D-e-
20 L-o-r-e-n-z-o, I'm the superintendent with the Chugach School District and
21 there's just two points I'd like to make. One is a lot of the information in
22 the document, the standards that are laid out, do not accurately reflect the
23 communities of Chenega Bay and Tatitlek. It's very skewed and there's a
24 tremendous amount of disparity there and it was not broken out -- was not
25 desegregated to be an accurate picture of that. So I want the Commission to
26 be aware of that.

1 The other point is, and I know this is not a decision making
2 Commission, but just to reiterate about the educational system that there
3 should be -- if it goes to the next level we want to make sure that we do a
4 good transition with Valdez and Cordova, with the way we approach education
5 and the way they do.

6 So those are the comments that I have and thank you for your time.

7 CHAIR WARING: Well, before you go we should thank you for having
8 a national recognized REAA.

9 MR. DELORENZO: Well, okay.

10 CHAIR WARING: If there are particular bits of information that
11 you, you know, judge or are, you know, in your experience whether it's about
12 schools or something else that you can alert us to that would be helpful if
13 that is stated in the document.

14 MR. DELORENZO: Be happy to do that.

15 CHAIR WARING: We would appreciate it.

16 MR. DELORENZO: You bet.

17 CHAIR WARING: Thank you. Okay. We will -- that concludes the
18 persons here now in the room. I understand we've got three persons in
19 Cordova who did want to speak to the Commission. I'll just go down my list
20 and take them in turn. Oh, wait, I think we have one -- Denny Weathers,
21 did.....

22 MS. WEATHERS: Yes, this is Denny K. Weathers, I am from Hawkin
23 Island, I do not live in Cordova, I am one of the ones that lives outside of
24 the cities and the.....

1 CHAIR WARING: Uh-hum.

2 MS. WEATHERS:municipalities and I'm testifying as a person
3 individually, not any kind of group. First of all -- and I know this is not
4 having anything to do with the Legislature, so I want to address your draft.
5 I've gone over it and find that many of the -- much of the information you
6 have is misleading, in fact, I found a couple false statements made in it. I
7 would ask that the LBC go over this document again.

8 Just looking at the document on the fisheries I find first of all some
9 of those fisheries don't even happen here anymore. You're using information
10 from '98 in 2000, much of the businesses of Cordova have closed, moved out
11 and left. We have a mass exit from Price William Sound 'cause there is no
12 work. I also went over the thing, your statement -- there's income here, but
13 when you talk about the major employers of this area, both of them are
14 government; the school district, hospital, City of Cordova, Department of
15 Transportation, Forest Service, Coast Guard.

16 Now you state that half the residents here or half the houses are
17 fishing related. What (indiscernible) majority of the income is federal and
18 state and municipality, how can that be. There's a lot of problems I find in
19 here. Also fishing permits, holding (indiscernible). I'd like you to check
20 with the Commercial Entries Commission and check just how many permits are
21 active in this area because herring is no longer an active fishery as well as
22 much of the others.

23 Cordova has (indiscernible - background noise things going. You have -
24 - and your past documents shows and like I said I've been following this for
25 -- since Kerttula was my representative. And you start thinking about it,

1 you look at the way the town's been going downhill, but yet you continually
2 tell us that we are -- have a financial background.

3 Now one other thing I want to bring up, the Commission is paid for,
4 supported and actually operated by the government. Therefore I sometimes
5 find that you guys have a biased opinion when you write these reports. Any
6 questions?

7 CHAIR WARING: Thank you, Ms. Weathers, do Commissioners have any
8 questions of her? No questions. Thank you, Ms. Weathers. Was there anyone
9 else now at the Cordova LA office who wanted to speak?

10 UNIDENTIFIED VOICE: No, that's it. Thank you very much.

11 CHAIR WARING: Thank you. Is -- are there any other individuals
12 who have not yet spoken at the Valdez LA office? And.....

13 MR. DENGEL: Are you back to us again?

14 CHAIR WARING: Yes, I was just checking if there was -- if anyone
15 new had come who wanted to speak?

16 UNIDENTIFIED VOICE: We don't have anyone new, but Dave Dengel is
17 willing to speak.

18 CHAIR WARING: Well, Mr. Dengel, you are fortunate. We have a
19 few moments left before we were scheduled to go into recess. There is no one
20 else on line at the moment, I will extend you three minutes.

21 MR. DENGEL: (Indiscernible) much, Mr. Chairman, I appreciate
22 that. What I wanted to -- the city (indiscernible) wanted.....

1 CHAIR WARING: It's not that we don't want to hear you, we just
2 wanted to make sure everybody who might be wanting to address the Commission
3 would have a fair chance.

4 MR. DENGEL: Well, I understand that. I understand that and I
5 appreciate that. Because I think it is important that the Boundary
6 Commission hear from everybody and give everybody, you know, an ample
7 opportunity to discuss this because this is a very important document and is
8 going to be very far reaching.

9 So what I wanted to just finish up with is I don't know how many people
10 are aware of a recent (indiscernible) Commission decision made just before
11 Christmas. That decision could have the impact of reducing the value of the
12 TAPS pipeline 57 percent. Which means if people are looking at the TAPS
13 terminal as a source of funding for Cordova, Whittier and the other people
14 living out in Prince William Sound, the money is not going to be there. If -
15 - I mean, 57 percent -- the whole pipeline is valued at just over \$3 billion.

16 CHAIR WARING: Are you.....

17 MR. DENGEL: And Valdez is apportioned about 20 percent of that
18 or I -- whatever it is, \$800 million or whatever. (Indiscernible -
19 background noise) itself goes down 5 to 10 percent a year, just because of
20 depreciation. I think you need to look very closely at the economics of the
21 Prince William Sound area because economy in Valdez -- our tax base is going
22 down every year. Well, our -- for the -- for this year and next year it'll
23 be the same because we've negotiated something with the TAPS owners, but that
24 goes away in one more (ph) year and we're concerned that the valuation of
25 TAPS will go down at least 10 percent. The RCA decision kicks in 57 percent.

1 We're going to have a difficult time in our education and our own services
2 here (indiscernible - cutting out) everybody else in Prince William Sound.

3 So I think you need to be careful when you're looking at that, make
4 sure that you do look at all the facts to insure that your report is as
5 accurate as possible. As Ms. Weathers was talking about, I mean, using 1998
6 and 2000 data, (indiscernible) has happened in the last -- since 2000.
7 Please be very careful when you're looking at that.

8 So that's all I wanted to finish up with and I appreciate your giving
9 me the additional time, Mr. Chairman, and we will be submitting some comments
10 on this and we're going to be following this very closely in the Legislature.
11 I know that Senator Wilken is probably going to introduce another borough
12 bill. But we do pay for education here in Valdez and so does Cordova and so
13 does Whittier and I think that that needs to be considered. While there are
14 places in the state that do not (indiscernible - cutting out) education and
15 perhaps they should be, but to take from one community and distribute it to
16 the other communities, I'm just not sure that that will accomplish what we
17 want to accomplish. So I'll end and I thank you again, Mr. Chairman.

18 CHAIR WARING: And thank you, Mr. Dengel, we'll look forward to
19 receiving the city's comments. I did -- I had one questions for
20 clarification I wanted to ask you. You said that a recent Commission
21 decision, I think, you said in December had -- would have the effect of
22 lowering the oil and gas property values by 57 percent. I take it you did
23 not mean the Boundary Commission, but some other Commission?

24 MR. DENGEL: I meant it was the RCA.....

25 CHAIR WARING: That's what I.....

1 MR. DENGEL:(indiscernible - simultaneous speech).....

2 CHAIR WARING: Thank you. I just wanted to have that clear in
3 the record that that was what you did mean. Thank you.

4 We are near a recess point, is there anyone at Cordova, at Whittier,
5 Valdez to speak? Please speak up is there is at any of those sites. And
6 apparently not. We can either go on recess now or take advantage of an extra
7 10 minutes and reconvene at -- we're scheduled to reconvene at 12:05 and then
8 we will be listening to areas in southeast.

9 UNIDENTIFIED VOICE: Is there any opportunity for lunch or is
10 that un- --.....

11 CHAIR WARING: I've got a sandwich I'd be glad to share. We've
12 got to 12:05 to improvise.

13 UNIDENTIFIED VOICE: You ate three-quarters of it.

14 CHAIR WARING: I've got another one.

15 UNIDENTIFIED VOICE: I'll.....

16 CHAIR WARING: We will recess until 12:05.

17 (Off record)

18 (On record)

19 CHAIR WARING:Boundary Commission hearing on the
20 Commission's public review draft of the unorganized borough review. We are
21 returned from recess. We have reached the point where -- if the residents,
22 citizens of the Glacier Bay REAA area -- pardon me, the Glacier Bay model

1 borough region have an opportunity to address the Commission. Let me ask if
2 the Hoonah teleconference site is connected?

3 UNIDENTIFIED VOICE: Yes, we are.

4 CHAIR WARING: Glad that you are. At Gustavus, is the site at
5 the Gustavus library connected at this point? Well, we will come back to
6 you.

7 Let me take a moment before we begin. What -- depending on how many
8 people you have there I would ask one of you to kind of serve as traffic
9 controller and just, you know, work out what order you will speak to the
10 Commission. We -- I do want to emphasize that this is -- what we are
11 considering today and taking comment on is a public review draft.

12 The Commission will hear your testimony, we have already gotten
13 substantial written comment. We will take additional written by e-mail or
14 letter comment 'til February 14th. Our report will go to the Legislature
15 February 19th, that is the date the Legislature has set for us to submit our
16 report. Everything that we receive in the way of comment including oral
17 comment today will be transcribed and forwarded to the Legislature with our
18 report. We won't filter it or edit it, it'll go to the Legislature as you
19 tell it to us.

20 In the period of public comment we've allotted three minutes per person
21 just to insure that everybody who would like to address the Commission does
22 have an opportunity. We'd appreciate it if you would honor that courtesy and
23 -- to your fellow citizens and let's get on with it. If whoever would be
24 first in.....

25 UNIDENTIFIED VOICE: (Indiscernible - distortion).....

1 CHAIR WARING: Hoonah would identify themselves and please
2 speak to the Commission? I'd ask you to identify yourself and spell your
3 name so we will have it accurate in the transcription.

4 MR. BETTRIDGE: Thank you very much. My name is Keith Bettridge,
5 the Hoonah city administrator. The last name is spelled B-e-t-t-r-i-d-g-e.
6 I am here, we also have a representative from the school here at this time.
7 As far as the comment we do appreciate the opportunity.

8 Hoonah has, for probably more than a year, gotten together with other -
9 - the communities in the proposed Glacier Bay Borough and have taken quite an
10 active part in meeting with them and doing studies including a feasibility
11 study for the possibility of pursuing on our own to form -- or petition to
12 form a Glacier Bay Borough. We are going to be continuing the process and
13 it's my interpretation from the council that as we do we will certainly be
14 gathering information from the cities and other communities and would like to
15 be able to use that -- have sufficient data to make an informed decision on
16 how and even when to proceed with the borough formation.

17 As or if Legislatures can consider any possible mandates towards
18 borough formation, I think, here as far as Hoonah we would like enough time
19 to continue this process and complete it. At the appropriate time we do look
20 forward to working with the Local Boundary Commission in sharing our data
21 with theirs and will likely be relying on them for their assistance at some
22 phase in the future.

23 But we really do appreciate this opportunity. Like many of the other
24 commentators (ph), I believe, from the information I got that the information
25 you wished us to review and comment on was probably out there sometime ago,
26 but actually the time or the method of notification -- I didn't get a chance

1 to review it very thoroughly at all. So what I will do is forward that and
2 information for this meeting and encourage written comments to you by the
3 14th. And again I thank you.

4 CHAIR WARING: Thank you, Mr. Bettridge, we look forward to
5 receiving comments after you've had a chance to formulate them. I do want to
6 tell you the Commission members have all received copies of the recent
7 feasibility study that you referenced. So we've all had access to that
8 recent study in the course of our review.

9 MR. BETTRIDGE: You say you have or have not?

10 CHAIR WARING: We have.

11 MR. BETTRIDGE: Oh, great.

12 CHAIR WARING: And we have a copy of that and, in fact, a pile of
13 recent borough feasibility studies from other areas as well and have had
14 opportunity to consider those. Thank you.

15 COMMISSIONER TESCHE: Mr. Chairman.

16 CHAIR WARING: Oh, Mr. -- Commissioner Tesche has a.....

17 COMMISSIONER TESCHE: Just as a point of information to staff, as
18 we have received those feasibility studies we are also making reference, are
19 we not, to those studies in our written comments to the Legislature?

20 CHAIR WARING: I believe the studies are all listed in our draft
21 report and I -- probably were drawn on for some of the information.

22 COMMISSIONER TESCHE: Yes, that's -- I just wanted to make sure
23 that the people in Hoonah understand that we've received that information,

1 we're well aware of those efforts, those ongoing efforts and that that is
2 being communicated to the Legislature.

3 CHAIR WARING: Okay. Thank you Mr. Bettridge. If the next
4 person, I believe, you said with the school or the next person who wish to
5 speak would come forward?

6 MR. BETTRIDGE: This is Keith Bettridge, it's ett with a B as in
7 boy. B-e-t-t-r-i.....

8 CHAIR WARING: Oh, pardon me. I didn't catch it, but I think our
9 transcriber did.

10 MR. BETTRIDGE: Oh.

11 CHAIR WARING: Thank you.

12 MR. BETTRIDGE: Yeah, and there are no other comments here. He's
13 joined (indiscernible) and purposes and we'll continue to (indiscernible).

14 CHAIR WARING: Okay. If anyone does arrive that did want to
15 speak we'd -- we welcome hearing from them.

16 MR. BETTRIDGE: Thank you.

17 CHAIR WARING: Thank you. Is the Gustavus library teleconference
18 site connected?

19 UNIDENTIFIED VOICE: Yes, they're connected. We've been
20 connected since shortly after 9:00 this morning. We have four people here,
21 several of whom wish to testify.

1 CHAIR WARING: Very good. If you will sort out among yourselves
2 what order you wish to testify we'd -- we're ready to hear what you have to
3 say, please?

4 MS. CHALLONER-WOOD: Good afternoon, my name is Judith Challoner-
5 Wood, that is C-h-a-l-l-o-n-e-r-W-o-o-d. I'm a permanent resident of the
6 community of Gustavus. We are a community invested village with a relatively
7 high employment rate and a dedicated volunteer base that support and enhance
8 are in lieu of government activities. We are a literate, cosmopolitan
9 village with an abundance of entrepreneurial businesses. I applaud the work
10 of the Boundary Commission in this report and thank you for providing this
11 opportunity to comment.

12 I am concerned this report's categorization of Gustavus' as a lifestyle
13 community. We are a hard working community with a wide range of different
14 livelihood. I would request that the Glacier Bay model borough boundary
15 change the name of this proposed Glacier Bay Borough to the Fairweather
16 Borough so as to not confuse the issue of Glacier Bay in the park and the
17 inherent issues of that name.

18 The community of Gustavus is proactive in both pursuing incorporation as
19 a second-class city and fully participating in the exploration of the
20 formation of a local boundary. Thank you.

21 CHAIR WARING: Thank you, Ms. Challoner-Wood. I assure you that
22 if and when the borough is formed I believe the name will be settled upon by
23 the residents of that borough, isn't that correct, Mr. Bockhorst?

24 MR. BOCKHORST: Unless the Legislature dictates otherwise.

1 CHAIR WARING: Unless Mr. Bockhorst informs me the Legislature
2 settles it for you, ordinarily the localities do get to pick their own name.

3 COMMISSIONER TESCHE: Mr. Chairman.

4 CHAIR WARING: Commissioner Tesche.

5 COMMISSIONER TESCHE: Yes, I want to thank the witness for the
6 testimony and there is a comment about the characterization of this area as a
7 lifestyle area. If you have a page reference we can review that where the --
8 whatever is stated in the report accurately describes your community as you
9 best see it. So if you have a page reference could you furnish that to us?

10 MS. CHALLONER-WOODS: Yes, the next speaker will furnish that for
11 you.

12 COMMISSIONER TESCHE: Thank you very much.

13 CHAIR WARING: Thank you. Next speaker, please.

14 MR. TURNER: My name is Peter Turner, that's T-u-r-n-e-r. I'm a
15 permanent resident of Gustavus, I also happen to be this year on the Gustavus
16 Community Association Board. And I was intending to speak specifically today
17 on this issue of the description of Gustavus as a quote, lifestyle, unquote
18 settlement. That is on -- in chapter three on page 90, line 18. And in that
19 -- in this report the other -- and it's subpart E, section nine, historical
20 links.

21 The other communities in the region are described in a variety of ways
22 including Pelican as a fishing community with seasonal population and
23 commercial fishermen and cold storage plant workers. And Elfin Cove is also
24 a fishing community and these are all fairly descriptive and fairly accurate

1 descriptions. And then when the draft refers to Gustavus as -- I quote the
2 sentence, Gustavus is primarily a quote, lifestyle, end of quote, settlement
3 community with a number of seasonal use homes or, you know, residents.

4 And like the former testimony referred to, we're not exactly sure what
5 the intent was using the term lifestyle in quotation marks, if there was an
6 inference or some other meaning there. And we would like clarification.

7 And this community is a broad, very diverse community with a lot of
8 hard working people and working in a variety of areas like the National Park
9 Service. The government employment base, the National Park Service is an
10 important part of our community but there are also commercial fishermen,
11 lodge owners and entrepreneurs, guide and sport operators. There are several
12 families who support themselves by working on the state ferry system and
13 other out of town work that they commute back and forth to the North Slope
14 and other areas.

15 If the inference is from lifestyle that the inference is we have no
16 visible means of support, then we would like that corrected in the view of
17 the report and it's going to the Legislature that this is a working community
18 like other working communities in Alaska and shouldn't be described as such.
19 Thank you.

20 CHAIR WARING: Thank you, sir, for your comments. We will
21 apologize for any offense given, none was meant. We will go back and rewrite
22 that section in a more straightforward descriptive fashion. I hope that will
23 prove satisfactory.

24 MR. TURNER: Thank you very much, that's -- that would be
25 satisfactory.

1 CHAIR WARING: Thank you for your comments again. Next person,
2 please.

3 MS. CRONDAHL: Yes, my name is Shana Crondahl, S-h-a-n-a C-r-o-n-
4 d-a-h-l. I (indiscernible) the last objections -- the last -- that were made
5 by the previous two speakers. I also have a technical correction on chapter
6 3, page 135. The IFP is incorrect, Gustavus' IFP is GCN not Seeknet (ph).

7 Another point is that I too share Representative Wilken's concern that
8 people should shoulder responsibility for their schools and other community
9 needs. The problem of people in the unorganized borough not bearing that
10 responsibility could be easily addressed by implementing an income tax and
11 excluding those cities that already support their schools. This solution
12 would also address the concern that the unemployed, underemployed and lower
13 income persons not be duly -- unduly adversely affected. If the only reason
14 that this study and possible boroughization is occurring is for that reason,
15 then probably a simpler solution would be do something like I just mentioned.

16 We did get the -- another point. We did get the materials with plenty
17 of time to review them. We got our materials about nine days ago and we
18 appreciate having that time to review them. Thank you.

19 CHAIR WARING: Thank you, Ms. Crondahl. Any questions? No
20 questions. Next person, please.

21 MS. CRONDAHL: That's it for Gustavus.

22 CHAIR WARING: Thank you very much. If you mean to listen on,
23 please, just let us know if anyone else shows up who does wish to address the
24 Commission.

25 MS. CRONDAHL: Thank you.

1 CHAIR WARING: Thank you. Let me check again, Hoonah, is there
2 anyone else who has shown up who wanted to speak to the Commission?

3 UNIDENTIFIED VOICE: None here in Hoonah.

4 CHAIR WARING: Thank you. If anyone does just alert us, please.
5 Let us move on and check and see if Angoon city council chambers site is
6 connected or the site in Kake, the elementary school there? Are those --
7 anyone at either of those teleconference sites? Let me -- we'll come back to
8 those sites then at the time we've reserved for them. And let me go on and
9 see if there is anyone connected at the City of Craig? Or Wrangell? Or
10 Petersburg? Or the Juneau LIO office?

11 UNIDENTIFIED VOICE: Yeah, we're -- Petersburg is here.

12 CHAIR WARING: Well, we're -- at the moment have no one else on
13 line at any of the sites that wanted to testify. You have the option if you
14 would wish or anybody there would wish to speak to the Commission now rather
15 than wait for your designated time at 2:00 o'clock?

16 UNIDENTIFIED VOICE: Mr. Chairman.

17 CHAIR WARING: Yes.

18 UNIDENTIFIED VOICE: This is the Petersburg office and we have
19 one participant here that would like to testify.

20 CHAIR WARING: We would be very pleased to hear from that person
21 then.

22 UNIDENTIFIED VOICE: Okay.

1 CHAIR WARING: If they would just, please, identify themselves
2 and spell their name and we are open ears.

3 MR. SMITH: Yes, my name is Ted Smith, T-e-d
4 S-m-i-t-h, I'm the mayor of Petersburg. Petersburg has just concluded a
5 study that shows no financial benefits to forming a borough. In fact, if the
6 new timber receipt allocations are discontinued in 2007 as proposed, the
7 borough formation would be a heavy burden on both Petersburg and Wrangell as
8 well as other communities in southeastern Alaska.

9 Petersburg has and does contribute approximately the maximum to our
10 school district as well as other taxational levels to promote a viable
11 community. So borough formation actually would not impact educational
12 funding for the state in this area.

13 Also transportation by land is nonexistent between the two largest
14 communities, Wrangell and Petersburg, and other means of transportation are
15 at the mercy of weather conditions as per your report, leaving a borough
16 governing body in a limited situation for
17 traversing the area for meetings as well as the large expense for lodging in
18 either Petersburg or Wrangell and other expenses due to those meetings.

19 Just in conclusion to form a borough for just the sake of having a
20 borough is really a folly. This region has more pressing problems to deal
21 with at this time and is dealing -- and dealing with the problem of the
22 borough or annexation in its own time is really more pertinent. We're not
23 opposed to borough formation, but being forced to form a state mandated model
24 borough at this time is really not favorable to Petersburg. Thank you. And
25 thank you for the opportunity to comment.

1 CHAIR WARING: And thank you, sir. We will, of course, be
2 forwarding your comments with our report. If you do have a formal report of
3 any sort, you referenced one in the -- at the beginning of your testimony
4 that showed the City of Wrangell would not benefit financially from borough
5 formation, if you provided us a copy we'd be glad to include it in the record
6 of information we do forward to the Legislature.

7 MR. SMITH: Yes, sir, we will certainly try and get that to you
8 in time.

9 CHAIR WARING: If you just.....

10 MR. SMITH: (Indiscernible - simultaneous speech).....

11 CHAIR WARING:forward it to Mr. Bockhorst, if you have his
12 address?

13 MR. SMITH: I don't, but I'm certain the city manager does.
14 Thank you.

15 CHAIR WARING: Okay. Then.....

16 MR. SMITH: We do have one other councilman that just arrived. I
17 think he has a little bit of testimony.....

18 CHAIR WARING: If he.....

19 MR. SMITH:if that's possible?

20 CHAIR WARING: If he's prepared to we'd be glad to hear him now.

21 MR. SMITH: Thank you.

22 CHAIR WARING: Thank you.

1 MR. BRACKEN: Yes, thank you. I'm sorry for the delay, I thought
2 we we're going to be on the schedule a little later in the day. So.....

3 CHAIR WARING: Well, you're fortunate your Saturday may be
4 blessed with a little more time than you expected. You wish to testify, we
5 would be glad to hear you. Please just identify yourself and spell your last
6 name.

7 MR. BRACKEN: My name is Barry Bracken, B-r-a-c-k-e-n, I'm a
8 member of the Petersburg city council and I'm sorry I wasn't here to hear
9 Mayor Smith's testimony so I may be repeating some of the issues that he
10 brought up. But I'd like to say that, you know, the City of Petersburg hired
11 a consultant to evaluate the cost and benefits of three options for our area.
12 One of those was a model borough formation, the second was a separate
13 northern half borough and the third was annexation. And it was pretty much
14 determined from that study that a unified city borough government is not
15 practical with the geographic separation and the distinct, well established
16 city governments that we have between Petersburg and Wrangell.

17 There's no direct transportation link between Petersburg and Wrangell,
18 particularly during the winter months. Now that might change in the future,
19 but at least at the time being it would be very, very difficult to coordinate
20 that effort.

21 According to our consultant the cost of borough formation would largely
22 outweigh any benefits and there would be no increase in government efficiency
23 as the vast majority of area residents are already under city government
24 control. Most of the private land is already included within the city
25 boundaries or could be added through simple annexation. The vast majority of

1 property within the proposed borough boundaries belongs to the federal and
2 state government and would not contribute to a tax base.

3 Forming a separate northern section borough would be even more costly.
4 We'd actually reduce the education funding for the district without
5 commensurate tax revenue. There are less than 200 people, which is less than
6 6 percent of our current population base within that large area who live
7 outside the current city boundaries and the vast majority of them live on the
8 island road system. They could easily be put on the tax roles through simple
9 annexation rather than borough formation.

10 Annexation is a clearly preferable option for sharing the cost of
11 services and placing more island residents on our tax roles. According to
12 our consultant that would generate considerably more revenue and expand city
13 services than borough formation with a lower level of downward adjustment to
14 education funding.

15 And I guess I'd just like to say in general if education funding is the
16 primary emphasis behind the justification for borough formation it should be
17 noted that the City of Petersburg has consistently funded our local school
18 district at or near the cap allowed by state law and we intend to continue
19 doing that.

20 Also I might add that if education funding is the major driving force
21 behind this current move, perhaps it would be more equitable for the
22 Legislature to reinstate the state education tax and reassume their
23 constitutional mandate to fully fund education in the state rather than
24 continuing to shove that burden onto the local and borough governments.
25 Thank you.

1 CHAIR WARING: Thank you for your remarks. Do Commissioners have
2 any questions? Thank you, sir. Is there anyone else at Petersburg now?

3 UNIDENTIFIED VOICE: No, there is not.

4 CHAIR WARING: Thank you. If you wish to stay on line just let
5 us know when someone does come who wanted to speak in your time slot. Is
6 Wrangell connected? Is there anyone at Craig? Angoon? Kake?

7 MR. REESE: Are you able to hear us from Kake?

8 CHAIR WARING: Yes, we hear you very well. If -- do you have
9 some parties there who wanted to speak to us now?

10 MR. REESE: My name is Paul Reese (ph), mayor from Kake, Alaska.
11 We would like to bring our comments at 1:05 p.m. per the schedule if we
12 could?

13 CHAIR WARING: That's fine, we'll come back to you at that time
14 then.

15 MR. REESE: Thank you.

16 COURT REPORTER: Did you catch his name?

17 UNIDENTIFIED VOICE: He'll be back.

18 UNIDENTIFIED VOICE: Yes, Paul Reese,
19 R-e-e-s-e.

20 COURT REPORTER: Okay. I couldn't understand.

21 UNIDENTIFIED VOICE: First name Paul.

1 CHAIR WARING: Well, why don't -- oh, and is there anyone at the
2 Juneau LIO office who did wish to speak? We've got no one on line, why don't
3 we recess and -- we'll just recess, but if anyone does comes on line.....

4 UNIDENTIFIED VOICE: Okay. I can give you a call.

5 CHAIR WARING: Oh, let me see if -- hold on a moment. Is Pelican
6 connected and is there anyone there who wanted to speak to the Commission?

7 UNIDENTIFIED VOICE: They may call -- give the -- person -- John
8 Musa (ph).

9 CHAIR WARING: Pardon me?

10 MS. PHILLIPS: Hello.

11 UNIDENTIFIED VOICE: John Musa.

12 COURT REPORTER: I heard somebody say hello.

13 MS. PHILLIPS: Hello.

14 CHAIR WARING: Yes, this is the Local Boundary Commission
15 hearing, is.....

16 MR. PHILLIPS: This is Pelican.

17 CHAIR WARING: Could you, please, identify yourself?

18 MS. PHILLIPS: Yes, hello. I'm Patricia Phillips calling from
19 Pelican. Am I coming in all right?

20 CHAIR WARING: Yes, you're coming in. Did you want to speak to
21 the Commission at this time?

1 MS. PHILLIPS: Yes, I would like to and I have another individual
2 here, Ms. Howard would like to speak also.

3 CHAIR WARING: Well, that's fine. If you would just again,
4 please, just restate your name and spell your last name for our transcriber
5 and then tell us what you would wish to?

6 MS. PHILLIPS: Thank you, Mr. Chair. My name is Patricia
7 Phillips, P-h-i-l-l-i-p-s, I am a 30 year resident and am serving my second
8 term on the Pelican city council. The LBC is the lead (ph) government entity
9 and did not adequately distribute materials for public review. At the very
10 least each affected community government office or library should have a copy
11 of the various documents for the public to study and form specific comments
12 from. The City of Pelican has done very little to make available information
13 on this topic.

14 Should mandatory borough formation legislation pass an (indiscernible),
15 sovereign area (ph) borough should form as a home rule (ph) borough to give
16 each community the continued autonomy it already has. The revised June 1997
17 model borough boundary does not adequately represent an area and population
18 with common interest to the maximum degree possible. Rather it divides and
19 conquers area and common interest in the Glacier Bay and (indiscernible)
20 area. This revised plan separates Hoonah from it's neighboring clan (ph)
21 communities of Angoon and Kake. Is this a deliberate attempt to water down
22 their political effectiveness? When the state undergoes reapportionment they
23 have to consider us an entity and culture. In 1991 the City of Pelican
24 did not want to be in a borough with Hoonah. Paul Grant (ph), City of
25 Pelican attorney, in a December 31st, 1990 letter to Pelican City Council
26 stated, Hoonah's method of government is highly appropriate to a traditional
27 village, but conflicts with Pelican's way of doing things are inevitable.

1 Sovereignty and subsistence will predictably be burning issue occupying much
2 government energy in Hoonah, not in Pelican. All in all it seems that trying
3 to combine Pelican and Hoonah into one borough would be like trying to mix
4 oil and water, unquote. Mr. Grant further stated, quote, it does not appear
5 that any combination that included Pelican, Hoonah and Gustavus would meet
6 the statutory requirements for borough formation because of the diverse
7 economic and cultural base of those communities, end quote.

8 To separate Angoon and Kake from Hoonah would be detrimental to the
9 solidarity of the Native people of these incorporated communities. The
10 population of these communities are inter-related and integrated in social,
11 cultural and economic activities and a borough government can be a valuable
12 tool for local self-determination that allows municipal and tribal government
13 organization to co-exist successfully while resources are maximized. That
14 was directly out of your revised 1997 model borough boundary document.

15 Pelican, Hoonah, Angoon and Kake have commonality. They each operate
16 as distinct and well organized incorporated cities. A combined Glacier Bay
17 and Chatham area borough more closely represents a social, cultural and
18 economic blend of activity. This combined area is large and stable enough to
19 support rural government. Gustavus is not incorporated and does not exercise
20 taxing authority or land use regulations, planning or municipal planning as
21 do the incorporated cities of Pelican, Hoonah, Angoon and Kake. All these
22 communities are located in rural coastal areas. Pelican, Hoonah, Elfin Cove
23 and Kake have fish processing facilities and the economy is rural, maritime,
24 fisheries and subsistence based. Gustavus while it does have commercial
25 fishermen, their economy is directly linked to the National Park Service and
26 other diverse employment.

1 Gustavus and Angoon are in the Chatham REAA. They have an established
2 working relationship for their schools. Some Gustavus residents detest this
3 sharing of school services. It's been stated that Gustavus has the highest
4 personal income per capita. This attitude is a motivating factor to separate
5 the Chatham area from the Icy Straits area, and is in direct conflict with
6 borough boundaries must conform to REAA boundaries.

7 The consolidation of the school district is my main concern. Because
8 Pelican has a small population base, will we be at the mercy of the largest
9 communities in this struggle for funding? Look at Trapper Creek and the
10 Kenai Borough. 27 on kids, potential school closure or one teacher because
11 of district funds being over spent in the larger communities. We contribute
12 4 mill (ph) to our school.

13 I would like also to request a copy of the second feasibility study
14 that the City of Hoonah has. Thank you for the opportunity to comment.

15 CHAIR WARING: Okay. thank you for your comments. Let me ask,
16 do you have a written statement? Oh, pardon me, we're momentarily changing
17 tapes.

18 (Off record)

19 (On record)

20 CHAIR WARING: Yes. We've got the tape running again. I wanted
21 to ask if you have perhaps a written or typewritten copy of your statement
22 that you could forward to us?

23 MS. PHILLIPS: Yes.

1 CHAIR WARING: It is a well prepared, carefully prepared
2 statement.

3 UNIDENTIFIED VOICE: We can get it faxed up here.

4 CHAIR WARING: We've even got a fax here if you would want to fax
5 it up to us if that is feasible. I just want to make sure that we have an
6 accurate copy of your remarks because you've put a lot of thought into them
7 and I think they're substantial. The fax number that you could use right now
8 if you're able to is 269-0229. Okay?

9 MS. PHILLIPS: 269-0229.

10 CHAIR WARING: 269-0229.

11 MS. PHILLIPS: Thank you.

12 CHAIR WARING: Thank you. Is -- you got a question? We do have
13 a question, too. Commissioner Harcharek wanted to ask you a question.

14 COMMISSIONER HARCHAREK: It's not a question, it's a comment.
15 Your statement shows a very analytical reading of the issues. And I want to
16 thank you for that.

17 MS. PHILLIPS: You're welcome.

18 CHAIR WARING: Do you have anyone else at Pelican who wanted to
19 speak?

20 MS. PHILLIPS: Yes.

21 CHAIR WARING: Well, please do.

1 MR. HOWARD: Yeah. My name is Chris Howard. Last name H-o-w-a-
2 r-d. I'd like to concur with Patty's comments and agree it was well prepared
3 and well thought, taken that way. I'd like to say a home rule (ph) would
4 also be the way to go if it was passed. I would like to say that this goal,
5 with fire training (ph) in between Gustavus and Glacier Bay, and if a borough
6 is to work well as the past joint venture worked, it would be outstanding.

7 So I wish you luck in the process and I don't know if it was quite the
8 Local Boundary Commission's fault that we didn't receive quite enough
9 information or have a step teleconference site. And that was probably more
10 administrator or whatnot. So thank you, that's all I have.

11 CHAIR WARING: Thank you. We will keep the line open until 2:55
12 for anyone who would want to speak if everyone there now is concluded. Let
13 me just go the rounds.

14 MR. LUNDAHL: Can you hear me?

15 CHAIR WARING: Yes.

16 MR. LUNDAHL: Yeah. I live outside of Pelican and.....

17 CHAIR WARING: Pardon me. I didn't realize there was someone
18 else there. Please introduce yourself and proceed.

19 MR. LUNDAHL: Right. This is Richard Lundahl. L-u-n-d-a-h-l. I
20 live outside of Pelican and am calling from a private phone. I agreed with
21 Patty Phillips that it would be pretty hard to find a model borough thing
22 that would fit everybody. If I look at the different communities, it doesn't
23 seem like Gustavus has that many commercial fishermen. It's more of another
24 type of livelihood. Gustavus does not have much sea coast. It's more of a

1 flat land area. And I would say it's more rural and road connected. It's
2 more spread out.

3 Culturally Hoonah is -- I mean the Native population seem to always
4 want to show their independence and that they are a different ethnic culture.
5 And it doesn't seem like the white communities are -- I guess we have what we
6 want as far as the culture, so we aren't as concerned about that.

7 Gust- -- well, let's see. One of the things that I find about --
8 talking about land area, Pelican is right on a mountainside. We don't have
9 much level ground. We're really different from a lot of the other
10 communities which have a wider road base. I guess what I'm trying to say is
11 that none of these communities seem to have an awful lot in common. About
12 the only things that I can see that we have in common is that we're connected
13 by water transportation, but none of it's really organized in a consistent
14 form. Most of us choose to live outside of large population centers.

15 Most of us -- the people that live outside of the cities don't seem to
16 want another layer of government. And it seems like every time a government
17 forms, even though this borough would be formed to fund schools, any
18 organized borough is going to find some other excuse, some other service that
19 they can't give everybody but they'll tax everybody for.

20 Let's see. The residents of the towns and the villages, the people
21 that live inside the towns and villages or in most of these areas don't live
22 on the water. But the people that live outside the towns usually do live on
23 the water. And so a method of taxation is going to be hard to find because
24 one of the usual methods in the Lower 48 is property value and it's usually
25 higher if you have water frontage.

1 I agree with the people in Gustavus that there are other ways to tax
2 us. If the Legislature needs money for schools, then they can tax us with
3 school tax. And it seems like the Legislature is trying to form another
4 layer of government to separate them from doing their duty. They're afraid
5 to tax us. They're not afraid to talk about tapping into the Permanent Fund
6 and the heritage that -- or the monies that comes a non-renewable resource,
7 but they seem very afraid to tax us. And I don't think anybody -- well, I
8 won't say -- maybe I'm in the minority but I would much prefer like the
9 person in I think it was Petersburg brought out, that there's ways to tax
10 people that live outside of the cities and outside of the boroughs through an
11 income tax. And so I would support that.

12 And nationally, if I look at it, not everybody is lumped into states.
13 Washington, D.C. isn't a state. The Territories aren't states. We have
14 embassies and military bases. Those are under the control of the United
15 States.....

16 CHAIR WARING: Sir, let me interrupt. I've been liberal with the
17 three minutes because we don't seem to have others on line. But could I ask
18 you to conclude your remarks and I do want to check in at the other
19 teleconference sites that are on schedule now.

20 MR. LUNDAHL: Right. All I want to say then is that the national
21 government has many different forms of governments underneath them and I
22 don't think that we always need to be in a borough. So that's all I have.

23 CHAIR WARING: Thank you for taking the time to speak to us. Any
24 questions? Is there anyone else at the moment at Pelican who wanted to speak
25 to the Commission? Hearing none then, I will check to the other

1 teleconference sites. Is anyone at Hoonah or Gustavus Library waiting to
2 speak to the Commission?

3 UNIDENTIFIED VOICE: Nothing additional at Hoonah.

4 CHAIR WARING: Thank you. Then let me check if Angoon is
5 connected and if there is anyone there who wanted to address the Commission?
6 Okay. Kake, I will -- if you still prefer, I'll wait until 1:05 to come back
7 to you if that's your preference.

8 UNIDENTIFIED VOICE: Yes, sir, that is. Thanks.

9 CHAIR WARING: Okay. And thank you for your patience. City of
10 Craig, City Hall? Or Wrangell or Petersburg? Or the Juneau Legislative
11 Information Office? Okay. We will recess then until 1:05 or until someone
12 connects up that does want to speak to the Commission.

13 UNIDENTIFIED VOICE: Hydaburg is here.

14 CHAIR WARING: Pardon me?

15 UNIDENTIFIED VOICE: Hydaburg.

16 CHAIR WARING: Oh, did you -- thank you for speaking up. I
17 didn't realize you were on the line. Did you want to -- is there anyone
18 there who wants to address the Commission?

19 MR. DALE: Steven Henry Dale, Sr. I'm the mayor for the City of
20 Hydaburg.

21 CHAIR WARING: Welcome. And we would be glad to hear from you,
22 sir.

1 MR. DALE: Also, I have Adrienne Locarno. I'll speak very
2 briefly and I'll pass on to Adrienne Locarno (ph).

3 CHAIR WARING: Okay.

4 MR. DALE: I faxed a document up there a minute ago. You should
5 have it.

6 CHAIR WARING: We do have that.

7 MR. DALE: Okay. I would like to address Honorable Governor
8 Frank Murkowski, go on record with respect to him and Lieutenant. Governor
9 Loren Leman. And the chairman of the Boundary Commission.

10 I have a memorandum here dated 2/8/2003 at 12:42:16 p.m. I'd like to
11 go on the record as impeaching the Boundary Commission as not adequately
12 addressing Hydaburg. Hydaburg goes on record as opposing mandatory borough
13 executive order by the Honorable Governor Frank Murkowski. And Hydaburg
14 invites Honorable Governor Frank Murkowski and Loren Leman to come to
15 Hydaburg and discuss this issue, including the Boundary Commission, you're
16 invited.

17 This mandatory borough is infringing on Hydaburg's right to choose what
18 system, if any, Hydaburg wants, and a right to decide what destiny Hydaburg
19 wants for the betterment of Hydaburg. Hydaburg has, Hydaburg Coastal Zone
20 management is in place, including Hydaburg water shed pond. Alaska Native
21 Claims Settlement Act is in place and we're going to wait for the response of
22 Sealaska Corporation, Haida Corporation, and also Central Council Tlingit
23 Haida.

24 Tlingit Haida land suit (ph) is in place and has been there for a
25 while. Hydaburg historical sites merit special consideration, including

1 sockeye salmon streams. Hydaburg owns including the right to live off of our
2 land and sea. This document of the Boundary Commission does not adequately
3 address the human factors on the overly hard depressed economy of Hydaburg.
4 There are laws and principles and standards in place including laws of
5 antiquity. Hydaburg is unique and singular compared to other communities.

6 Hydaburg contends this maneuver by the Alaska Legislature is cruel and
7 unusual. A violation of the United States charter, and is inhumane and in
8 violation of community of Hydaburg people, and the City of Hydaburg.
9 Hydaburg stands by its invitation. Considers this maneuver is the act of
10 genocide on the Haida people. And with that I will conclude this with a
11 scripture from Proverbs, Chapter 22, Verse 28. Hydaburg believes this.
12 Remove not the ancient landmarks which our fathers have set. As you are
13 aware, we stand by our invitation and at this time I will let Adrienne
14 Locarno address this Commission. Thank you.

15 CHAIR WARING: Thank you, Mr. Mayor, for your comments. And
16 we'll have a question for you and forwarding a copy, and thank you for the
17 invitation. I think Commissioner Tesche wanted to ask you a question, Mr.
18 Mayor.

19 COMMISSIONER TESCHE: Mr. Mayor, I also wanted to thank you for
20 the invitation to visit Hydaburg and I hope that someday I can make it down
21 there as well as other members of the Commission. And certainly wanted to
22 welcome any additional written comments that you or your council would like
23 to make before the 14th, particularly your reference to human factors and the
24 effect on the local Native culture there. So I certainly look forward to
25 those comments.

26 MR. DALE: Who's speaking?

1 COMMISSIONER TESCHE: Allan Tesche, Commissioner from Anchorage.

2 MR. DALE: Allan Tesche. Not very many people from the state or
3 federal government ever comes to Hydaburg. And when Hydaburg Cold Storage
4 was in collapse it -- there was no big article by the State of Alaska like
5 Wards Cove got. Hydaburg means all the help it can get and extra
6 consideration. And I thank you. And at this time Adrienne Locarno will
7 speak.

8 CHAIR WARING: We will now hear her if she's prepared. Please go
9 forward.

10 MR. LOCARNO: Yes. My name is Adrienne Locarno. I'm the tribal
11 administrator for the Hydaburg Cooperatives. I'm here today representing the
12 Haida tribe. We understand that the Local Boundary Commission has reviewed
13 conditions in the unorganized borough and will report to the Legislature on
14 February 19th those areas as identified that meet the standards for rural
15 incorporation. We further understand that no portion of the report produced
16 for the Legislature's review shall constitute a proposal to incorporate a
17 borough in any region.

18 However, we disagree with the Local Boundary Commission that Prince of Wales
19 Island is prepared for incorporation into a borough.

20 Hydaburg, as Mayor Dale just pointed out, has a lot of concerns about
21 what this future borough would mean to the Haida tribe and the Haida people.
22 I call your attention to the Millennium Agreement that was negotiated in
23 2001. And as a matter of courtesy between governments, the State of Alaska
24 and the tribes agreed to inform one another at the earliest possible
25 opportunity of matters or proposed sanctions that may significantly effect

1 the other. And so this is one of those situations that will significantly
2 effect the future of the Haida tribe.

3 Throughout the recent years there's been a lot of discussion about
4 subsistence rights and subsistence protection, areas of importance to Native
5 communities for cultural and traditional use. Prince of Wales Island has
6 four recognized tribes on the island and we feel that also that the proposal
7 or even the report to the Legislature should include some discussion of what
8 this would mean to the people. We will submit a report -- submit some
9 testimony to the Commission outlining some of the areas where we find the
10 report to be in error.

11 We hope that in your final report to the Legislature that you do
12 include some opportunity for future discussion with Native groups about the
13 future governments (ph) of rural Alaska. Thank you for the opportunity to
14 testify.

15 CHAIR WARING: And thank you for taking the time to testify. We
16 will be glad to receive and forward to the Legislature any information you
17 can provide us to help make sure our report is accurate.

18 MR. LOCARNO: Thank you.

19 CHAIR WARING: Is there anyone else at Hydaburg? Then let me
20 check back to some of the earlier sites. Hoonah or Gustavus? Anyone new
21 there? Angoon? Well, we're 1:02. Kake, we can stand quiet for a couple of
22 minutes or if you think you're prepared to catch a couple minutes head start
23 that would be agreeable to us. Your choice.

24 MR. REESE: I believe we're ready now.

1 CHAIR WARING: Well, we are ready also. So if you would just --
2 whoever is the first speaker, please identify themselves. Spell their name
3 and then give us your thoughts. How many people do you have there who wish
4 to speak?

5 MR. REESE: I believe we have approximately five or six, time
6 permitting.

7 CHAIR WARING: Okay. Well, with that many I would ask you to
8 respect the three minute time allocation and it may be that we will have more
9 time later in the afternoon if there is need to come back to any speakers who
10 missed the opportunity. We will hear everybody before we recess at the end
11 of the day. Please proceed.

12 MR. REESE: Certainly Thank you. My name is Paul Reese. Spelled
13 P-a-u-l R-e-e-s-e. I'm the mayor of Kake, Alaska. I've been a 27 year
14 resident and I want to thank the Local Boundary Commission for the
15 opportunity to make comment this afternoon.

16 Kake is a first class municipality. We have a population of about 850
17 to 1250 people, depending on our seasonal activities like fishing, logging,
18 construction, subsistence. Subsistence is higher than other activities.
19 (Indiscernible - cutting out), fire department, police department, emergency
20 medical services, and we're a community that's fortunate to enjoy the highest
21 level of cooperation between the Municipality of Kake and our local tribal
22 government, the organized village of Kake.

23 And I would like to thank the Local Boundary Commission for their
24 expertise and capability in carrying out the charge given by the Legislature,
25 especially in those areas of compromised -- composed of unincorporated
26 boroughs. I'd also like to take this time to thank the Commission for their

1 hospitality shown to us by the government specialist, Gene Kane and Dan
2 Bockhorst, who welcomed our delegation conducting research, inquiry and
3 comments earlier this week.

4 As a community we do highly value our culture, way of life, autonomy
5 and self-determination that has been experienced for most ancient times.
6 But, you know, we do understand the context of this discussion and the study
7 that the Local Boundary Commission will bring to the Legislature perhaps
8 later this month.

9 In addressing the proposed Chatham District Borough we have already
10 submitted, with our written comments, a preliminary borough proposal slightly
11 modifying that of the Local Boundary Commission. Our proposal, we feel,
12 would serve to meet the standards of borough incorporation and would meet
13 those geographic, financial, cultural and social components and satisfy the
14 intent.

15 Of course if you have that map, It does modify your suggestion
16 including the whole Admiralty Island to Kupreanof Island and the
17 (indiscernible - rustling paper) Island. And such a proposal does also
18 reflect sensitivity and awareness of those traditional lands. Also we've
19 identified suggestions for boroughs that could sustain the expense needed.
20 (Indiscernible - cutting out) and simply a success in that would make sense.

21 Second thought. We had conducted a report in 1995, cost the city
22 \$25,000 for that report, the McDowell (ph) Report. And in the context of
23 that report and this discussion I think we would -- it would be beneficial to
24 consider that proposal. Looks like I'm out of time so I'm going to defer to
25 others in our delegation. Thank you.

1 CHAIR WARING: Thank you, Mr. Reese. Let me thank you, but
2 really I'm speaking to others there in the room as well, I expect. I just
3 want to acknowledge the amount and quality of the public comment. And we'll
4 have it here before us that we've received from Kake representatives. You've
5 taken, together, an extraordinary interest in the Commission's work on this
6 task. We do appreciate it. And I just wanted to acknowledge that. So if
7 the next -- unless there are questions, if your next person could speak,
8 please.

9 MR. JOHNSON: My name is Charles Johnson. I'm the historian for
10 the tribal government here.

11 CHAIR WARING: Proceed.

12 COURT REPORTER: It's cutting out.

13 CHAIR WARING: If you can hear me. We're getting some cut-outs
14 here. Let me -- hold on a moment, and check with our technicians. If --
15 it's been suggested we might get better reception if you speak a little
16 closer to the mic and if you could also just begin from the beginning with
17 your name, including spelling your last name. If you can hear me.

18 MR. JOHNSON: I am closer to the speaker here. My name is
19 Charles Johnson.

20 CHAIR WARING: We're getting you very well now.

21 MR. JOHNSON: My last name is Johnson, J-o-h-n-s-o-n.
22 I'm the historian for the local tribal government here. I (indiscernible) is
23 well defined geographic boundaries including land, waters, owned in common by
24 the members of the quad (ph) tribe. (indiscernible) excuse me. Each tribe's
25 territory are well known and respected by all other tribes. It is tacitly

1 understood that there be no trespassing without express permission of the
2 recognized tribal owners. They have a well developed system of land
3 ownership held to land, posted with crest designs owned by the various
4 tribes. Our stories and songs record the history of our (indiscernible -
5 cutting out) possession of our territories which include marine areas as well
6 as transportation corridors. (Indiscernible - cutting out) a title to
7 land is as sacred as a fee simple title is to the white man. Tlingit
8 property of all rigid and inflexible. These tribal territories, specific
9 land ownership and water use rights whereby (indiscernible) house and
10 households rather than by the tribes. Land (indiscernible - cutting out),
11 hunting areas, fishing sites, kelp beds and berry picking grounds. Excuse
12 me. Some of the land territory -- this is just a general description ran
13 from a Port Cambden (ph) owned by (indiscernible) Natives, Hamilton Bay and a
14 portion of Rocky Pass is owned by the wealthy Navy (ph), and from there to --
15 Rocky Pass and also some of the islands also there from to Monte Carlo Island
16 and the Sumner Straits. (Indiscernible) and Three Mile Island and also
17 Portage Bay across up to the mainland. The Samdugka (ph) tribes own Farragut
18 Bay to Cape Fanshaw (ph) and back to Cape (indiscernible). Others owned are
19 (indiscernible) Cape Fanshaw, the territory from Cape Fanshaw to Windham Bay
20 and (indiscernible - cutting out) people from Windham Bay to Cape Point and
21 as well as the mainland into the interior. Probably into Canada.

22 The Native tribes own from Cape Point to Point Hugh, and on Seymour
23 Canal as far as Gambier Island and the whole of Seymour Canal on Admiralty
24 Island. The Kanahata (ph) own Gambier Bay still on Admiralty Island. Others
25 own (indiscernible - cutting out), also the (indiscernible) Deep Water point
26 and Pybus Point to Deep Water Point and (indiscernible) Island and
27 (indiscernible - cutting out).

28 And I guess I'll stop here. Thank you.

1 UNIDENTIFIED VOICE: Go ahead and finish your time.

2 MR. JOHNSON: I've been given permission to finish it.
3 (Indiscernible - cutting out) Kuiu Island (indiscernible) and the
4 (indiscernible) on the north end of Prince of Wales Island, Red Bay and a
5 portion of Rocky Pass and the (indiscernible) of Kuiu Island (indiscernible)
6 Bay. And the (indiscernible cutting out) owns Taganoff -- Saganoff (ph) Bay.
7 Thank you.

8 CHAIR WARING: Thank you for your comments. Do we have any
9 questions? Apparently not. If the next speaker would come forward, please?

10 MR. GEBHART: My name is Eric Gebhart. G-e-b-h-a-r-t.
11 And I'm superintendent of schools of the Kake City School District. The
12 consideration of education and how it will meet the needs of students of Kake
13 is a top priority for the Kake City School District Board of Education and
14 the people of the community. It has a unique and valid history and culture
15 that must be considered in the formation of a borough. I see the formation
16 of boroughs in the state of Alaska as historical in impact in context. As
17 such, I must agree with the presentations that were made in person by the
18 group from Kake that visited the Commission offices last week, and have or
19 will speak this afternoon yet, that traditional boundaries must be respected
20 and considered in the establishment of boroughs.

21 I was informed by those that met with the Commission staff that there
22 are some concerns from the Commission staff regarding how the districts of
23 Kake and Angoon might resolve educational issues since Angoon is currently
24 part of an REAA in which other communities are currently designated to be
25 part of the Glacier Bay Model Borough.

1 In response to that I would say that the people of Kake feel quite
2 strongly about their autonomy and the local control over the school. This
3 enables our school to deliver the quality and type of education that is set
4 and governed by our local culture and values. Since we feel very strongly
5 about this ourselves, we deeply respect the rights of other communities,
6 including Angoon, to do likewise. This value that is important to us would
7 be extended to and respected from any other schools that would be included in
8 a borough with us. We feel we would be able to work out viable educational
9 solutions with Angoon that would be satisfactory to both communities and show
10 respect for the autonomy and uniqueness of each village. Thank you.

11 CHAIR WARING: Thank you, Mr. Gebhart.

12 MR. MACH: How are we doing for time? We have more speakers
13 if.....

14 CHAIR WARING: Well, you still have time. About five minutes
15 before we would check in with the next telesite.

16 MR. MACH: Okay. with that in mind I would like to proceed. My
17 name is Stuart, S-t-u-a-r-t. Last name Mach, M-a-c-h. I've been a community
18 member here in the Kake area for a number of years. I've served on local
19 school board and currently on the city council. Once again, I would like to
20 thank the LBC for the time and the hearing, and I know you've put in a lot of
21 time over the number of years on this issue, and regarding our recent
22 delegation to Anchorage as well.

23 I'd like to fill in -- maybe just mention a little bit regarding some
24 of the historical attempts that the city council and the community of Kake
25 has made in the area of feasibility of forming our own reliance for borough
26 status. We have on two different occasions held joint sessions with the

1 community regarding potential (indiscernible - cutting out), and essentially
2 we had a lot of potential comments and developments that were stagnated for
3 various reasons on both community's part. We've had numerous conversations
4 with our partners in Angoon, as well as some of the small communities on the
5 northern most island.

6 Back in '94 that the city funded a \$25,000 feasibility study with the
7 McDowell Group and the purpose of that was to determine possible borough
8 status development and the boundaries of that. For the past two and a half
9 or three years the city council has had a standing borough formation meeting,
10 and at each meeting we would touch upon some of the recent developments on
11 that.

12 That about concludes my time. And once again, I thank you for yours.

13 CHAIR WARING: Thank you, Mr. Mach. There's time for one more
14 person if anyone else wants to speak before we check in at the next site. Is
15 there anyone else who wants to speak, Mr. Reese?

16 MR. ACEBEDA: Good afternoon. My name is Casamira (ph) Acebeda
17 is spelled A-c-e-b-e-d-a. I'd been a resident for Kake, Alaska for 58
18 years. I am currently the council tribal president for the Organized Village
19 of Kake. And as a tribal government which is currently a day counterpart to
20 our (indiscernible - cutting out) the lands and water of our area, it is an
21 honor for our government to close out today's comments that was opened so
22 eloquently by our city government and Charles Johnson.

23 I'd like to reconfirm, for the record, our (indiscernible - cutting
24 out) up in Anchorage. On February 6th we submitted Resolution Number 2002-21
25 and Resolution Number 98-22, which, although prepared as a statement of the

1 tribe's opposition to the proposed Petersburg borough boundary, it also
2 reaffirms the tribe's position regarding boundaries in general.

3 The City of Kake has requested our tribal input of which we join with
4 (indiscernible - cutting out) city in the city February 4th, 2001 letter to
5 the Local Boundary Commission. Both the City of Kake and Organized Village
6 of Kake are capable governments providing for our citizens, about three-
7 quarters of the population being same constituents. Organized Village of
8 Kake has an office and operates on a trust grant. However, the constitution
9 of the tribal (indiscernible) calls for tribal protection of its people and
10 resources, which clearly includes the land and water surrounding the sites
11 for which the Organized Village of Kake now designed.

12 This (indiscernible - cutting back) dating back to time immemorial has
13 been clearly published by written submittals to the Local Boundary Commission
14 and verbal testament (ph). We appreciate the task of the Local Boundary
15 Commission has been charged with and a desire to work with your office, and
16 tackle all the difficult questions on the table. We also plan to continue to
17 join our governments position with the municipal government with the end
18 result that best serves our community. There are many positive points that
19 can be gained from our community when governments work together. Such an
20 example was the two representatives from our tribal office joining with the
21 two city representatives that made the trip to Anchorage. Workers are
22 gathering information from the LBC staff on borough and background and
23 mandate. With that I'll close, and again, thank all of our community
24 representatives which has been so free with the time, and also the Local
25 Boundary Commission for their commitment. Our people say in our Native
26 language, (Native language), thank you.

1 CHAIR WARING: And thank you. This again is the Chair speaking.
2 I just wanted to acknowledge. I understand that for the most part Kake
3 representatives disagree in part with the preliminary findings in the
4 Commission's report, but I've got to say the constructive approach that Kake
5 representatives have taken to talk out their concerns with the Commission is
6 very much appreciated. And I think we will be reflecting on the information
7 you've given us before we do get to approving our final report. Thank you
8 very much.

9 MR. ACEBEDA: Thank you, sir.

10 CHAIR WARING: With that I think we will move on to check in.
11 And we will -- if there is anyone else who does arrive at the Kake site who
12 wants to address the Commission there will be an opportunity if we have an
13 open moment in the next hour, or certainly at the end of the scheduled time
14 slots.

15 MR. GEBHART: Okay. Mr. Chairman, if I may, this is Eric Gebhart
16 again. I'm the.....

17 CHAIR WARING: Yes?

18 MR. GEBHART:superintendent of the schools. One of the
19 reasons why we wanted to wait and stuff, is we do have some construction
20 going on around here, so I would -- it would probably be in your best
21 interest if you would mute us. And if I find somebody -- if somebody does
22 come in who would like to testify, then I can call in and get that arranged.

23 CHAIR WARING: That would be fine. If -- we will take call ins.
24 And so if someone does come who wants to speak to us on that matter, that's
25 fine. Would you like the 800 number?

1 MR. GEBHART: We would like to listen to you, but I just don't
2 think that you want to continue to listen to some of the things that are
3 going to start happening here.

4 CHAIR WARING: I think there's been some heavy Saturday
5 construction work going on at a couple of sites today. Thank you very
6 much.....

7 MR. GEBHART: You're welcome.

8 CHAIR WARING:and you call back. We are now -- let's see.
9 Actually we are at a break point. Want to take a few minutes break until
10 1:30? And then we will move on to Craig and after that Wrangell and
11 Petersburg.

12 (Off record)

13 (On record)

14 CHAIR WARING: Let me ask if there is anyone at the Craig City
15 Hall site that was wanting to join the teleconference?

16 MR. WATSON: Yes, Mr. Chair. This is Dennis Watson in Craig.
17 I'm here with Millie Stevens and we'd both like to speak.

18 CHAIR WARING: That's fine. If you would just pick your own
19 turns and please identify yourself and spell your name so we will have it
20 transcribed accurately. And give us your testimony, please.

21 COURT REPORTER: Tell them to wait a minute.

22 CHAIR WARING: Could you wait a minute? We are changing tapes.

1 MR. WATSON: Okay. Well, I've got a question for you here. Do
2 you guys want -- I mean there's only a couple of us, but do you want the sign
3 in faxed to you or.....

4 UNIDENTIFIED VOICE: Yes.

5 CHAIR WARING: If -- pardon me? All we need is the names of the
6 people who actually speak, and if we could just have them clearly said and
7 spell, that will be adequate for the transcript.

8 MR. WATSON: Okay. Thank you.

9 (Off record)

10 (On record)

11 CHAIR WARING: We are prepared if you are prepared.

12 MR. WATSON: Okey-doke. You go first.

13 MS. STEVENS: Okay. Mr. Chairman and Commissioners, my name is
14 Millie Stevens. And first of all I'd like to thank you for the opportunity
15 to be able to speak on this issue. I've been on the city council here in
16 Craig for 11 years. I've been the tribal president for 12. And our big
17 concern on the island -- I guess first of all I need to mention that we have
18 four federally recognized tribes on Prince of Wales. And for the last couple
19 of years the four tribes have been trying to collaborate because of not only
20 the shrinking dollars on the state side, but on the federal side. We're
21 trying to stretch our dollars so we can take care of more tribal members on
22 our island. With logging winding down it has definitely impacted our island.
23 Fishing isn't what it used to be, and with E.C. Phillips not here and the

1 different fishing entities that were here on the island, is definitely making
2 an impact on our island.

3 On the tribal side our big concern is that you don't have to be a
4 rocket scientist to figure out that this island right now could not support a
5 borough. With the amount of people that are getting assistance on our island
6 for weatherization, for energy assistance, for public assistance, there's
7 just no way that these people are going to be able to pay their fair share if
8 we become a borough.

9 Our tribal council did send a letter about this, but I'm here today to
10 just let you know that we feel very strongly that our island at this point in
11 time could not support a borough. Again, thank you for your time and
12 consideration.

13 CHAIR WARING: Thank you, Ms. Stevens. The next person, please?

14 MR. WATSON: Yes, Mr. Chair. My name is Dennis Watson, W-a-t-s-
15 o-n. I'm the mayor of the City of Craig. I've lived here for just shy of 30
16 years. I've been mayor for 13 years and been around this borough issue for a
17 long time and watched. I guess I know as much about it on this island as
18 anybody does. And we had -- I'll kind of limit my comments. We did send
19 in a critique of the preliminary report. We had several issues on there we
20 thought that were a little outdated and not complete. And that's not to say
21 that we're getting down on the staff because we believe that that was an
22 awesome amount of work to do in the time given. So -- but there are some
23 blanks that need to be filled in and Millie has just spoke of many of them.

24 We -- you know, our economy is based on timber and fishing here. And
25 both of those industries are really in serious jeopardy right now. And we
26 can't go out and further tax an industry that's in trouble to generate

1 revenue for a borough. And we have a significant amount of non-taxable
2 properties on this island. And so property taxes would be an unfair issue
3 here. We have lots of Tlingit Haida housing in the various villages here
4 that aren't taxable, so it would seem that the property tax, there's no way
5 you could fairly do that. So it pretty gets us -- you know, it gets us
6 down to sales tax. And in a depressed economy with just a few small
7 communities, you know, that doesn't seem like a thing that you could generate
8 the kind of money that you would need to carry out the responsibilities of a
9 borough. Not only educational responsibilities, but the responsibilities of
10 police and fire and utilities and the other issues that are involved there.

11 One of our contentions is -- there's been numerous meetings on the
12 island recently about this issue and I think most communities recognize that
13 the number of school districts that we have on the island is really the
14 contention here. And a lot of us believe that it might be better to focus on
15 that and a way to deal with that rather than creating another layer of
16 government here that we can't afford at this time under the circumstances
17 that we're in.

18 So -- anyway, with that being said and our written testimony that you
19 guys have, or will have very soon, if you don't, I want to thank you for
20 allowing me to speak. And there isn't anybody else here right now.
21 Unfortunately it's a nice day here in Craig and it's a Saturday and people
22 are off doing other things.

23 CHAIR WARING: Thank you, Mayor Watson. Count your blessings. I
24 just wanted to assure you that we have each gotten copies of the city's
25 comments and the other comments that came from Craig and we'll have the
26 benefit of that. And they will also be forwarded to the Legislature along

1 with our report. I do want to thank you for providing us the written
2 comments as well as testifying today.

3 MR. WATSON: Mr. Chair, if -- i was going to wait here for about
4 20 minutes just to see if anybody shows up. Could we still, if anybody
5 else.....

6 CHAIR WARING: That will be fine. If you want to stay on line
7 and if -- I'll move to other sites and if, at the end of someone else's
8 speaking, there is someone at your site who wants to speak, well, let us know
9 and we'll arrange them in.

10 MR. WATSON: Okay. Well, thank you very much.

11 CHAIR WARING: We'll be glad to hear from them. And thank you
12 for your time. We'll just move on to another site. Is -- let me check if
13 there is anyone at the moment at Wrangell?

14 MS. GROSS: Yes, there is.

15 CHAIR WARING: Is this Ms. Gross?

16 MS. GROSS: Yes.

17 CHAIR WARING: Yes. Did you want to speak to the Commission?

18 MS. GROSS: Yes, I do.

19 CHAIR WARING: Well, you've got three minutes. Please begin and
20 we're all ears.

21 MS. GROSS: Okay. My name is Gayle Gross. G-a-y-l-e G-r-o-
22 s-s. And I just want to echo many of the remarks that have been made today
23 in regard to borough information in the sense that we are a property owner in

1 an outlying area. And I speak more for that than in terms of the Wrangell
2 Petersburg connection. But our main concern, as everyone's is, is adding
3 another layer of government to what is currently in existence. And our area
4 is physically removed from the Wrangell scene in the sense of a body of water
5 and a 22 mile separation. And so I just wanted to echo those same remarks,
6 and that was our concern over adding another layer of government. So thank
7 you.

8 CHAIR WARING: Thank you, Ms. Gross. And I think you've been
9 waiting some time. Thank you for your patience in waiting to speak to us.
10 Is there anyone else there with you?

11 MS. GROSS: Yes. We have Gary Lewis.

12 CHAIR WARING: We'd.....

13 MR. LEWIS: Yes. My name is Gary Lewis. I'm the vice-mayor of
14 the City of Wrangell. I want to talk a little bit about the model borough
15 boundary containing Wrangell and Petersburg. And I think our friends in
16 Petersburg very well echo many of my comments, that specifically that we
17 aren't particularly interested in forming a combined borough. We have -- we
18 are two independent unif -- or home rule -- I lost the word there -- of home
19 rule communities. This year Wrangell is celebrating its 100th year of
20 incorporation and Petersburg was incorporated in 1910. So these communities
21 have worked and fund their education in exactly the same way as any first
22 class borough in the state. In fact, to the point in case of Wrangell, the
23 mil rate equivalent that we fund schools would be 14 point -- over 14 mils
24 from our local population. So I just wanted to emphasize the fact that these
25 are two cities that have worked for nearly a hundred years, funded their

1 education, and really we can see no reason for an additional layer of
2 government. Thank you.

3 CHAIR WARING: And thank you, sir, for your comments. Is there
4 anyone else there at Wrangell who -- at the moment?

5 MS. GROSS: Not at this time but we anticipate someone coming in.
6 If they come in between 2:00 and 2:15 can they go ahead and testify?

7 CHAIR WARING: They certainly can. If they come in and we've got
8 someone else speaking, just wait until we finish with that person and then
9 alert me and we will arrange to let the new arrival speak. Then let go on
10 and check in at the Petersburg site. Is there anyone who wanted to speak to
11 the Commission?

12 UNIDENTIFIED VOICE: Not at this time, Mr. Waring, but we also
13 are expecting one at our scheduled time.

14 CHAIR WARING: That's fine. We will be available through 2:55.
15 So if at any time between now and then someone does arrive, just let us know
16 at an appropriate moment. Thank you.

17 UNIDENTIFIED VOICE: Thank you.

18 MR. GASAWAY: Mr. Chairman?

19 CHAIR WARING: Yes.

20 MR. GASAWAY: This is Dwayne Gasaway at the City of Klawock. I
21 believe that we were scheduled to speak after the City of Craig offered their
22 remarks. That's fine and.....

23 CHAIR WARING: I'm sorry if I skipped by you.

1 MR. GASAWAY:hear some testimony at your convenience.

2 CHAIR WARING: This would be a fine time, Mr. Gasaway.

3 MR. GASAWAY: Thank you, Mr. Chairman, members of the Commission.
4 My name is Dwayne Gasaway, G-a-s-a-w-a-y, city administrator, City of
5 Klawock, on Prince of Wales Island.

6 I'm here on behalf of Mayor Williams and the city council to offer some
7 brief comments. We'd, first of all, would like to reiterate the city's
8 strenuous opposition to borough formation on Prince of Wales Island. As that
9 is expressed in the city council resolution 3-3, dated January 21, 2003,
10 which was forwarded to the Local Boundary Commission offices. We will send
11 that again and we hope that that will be made part of the hearing record.

12 We would also like to reiterate our opposition to borough formation.
13 As a member of the Prince of Wales Community Advisory Commission the
14 oppositions of borough formation expressed by the Commission is in a letter
15 to the Local Boundary Commission dated February 3rd. I don't know if you
16 have that yet, but we participate in that commission and did participate in
17 the submittal of that -- those comments to the Commission and that's a fairly
18 detailed review of the draft document.

19 I'd like to echo the comments of several previous speakers who
20 commented on the inadequate time for summation and preparation, and
21 understanding of the material and the public review draft. There has also
22 been inadequate time, as several speakers have noted, for public comment,
23 although certainly we can appreciate the logistic challenge of hearing from
24 all affected individuals and communities. But the result of the timing has
25 been to shift responsibility for local notice, notice to local folks, local

1 communities, to individual local governments and organizations, and so -- and
2 that may account for the lack of turn outs here today.

3 We will submit additional comments. We understand the hearing record
4 is open until February 14th, and we will be submitting additional written
5 materials in support of our opposition to borough formation. At this time
6 I'd like to introduce Rich Carlson, superintendent of Klawock City Schools,
7 who offers some comments.

8 CHAIR WARING: Thank you, Mr. Gasaway, and welcome, Mr. Carlson.

9 MR. CARLSON: Again, my name is Rich Carlson. I'm the
10 superintendent of schools at Klawock City School District. And I would like
11 to begin by thanking members of the board for having -- or giving us the
12 opportunity to speak today. Our school board has passed a resolution
13 opposing mandatory boroughization which we have forwarded to the Local
14 Boundary Commission. I hope you've received that.

15 I basically just have a couple comments. One has to do with the
16 population trends that we're experiencing and this really leads to sort of
17 the second part which is the economic trend. We have experienced a
18 significant decline in enrollment in the Klawock City School District. We've
19 lost about 10 percent of our enrollment every year for the last four years.
20 That also translates to the economic conditions. The population of Klawock
21 in general and the surrounding areas are dissipating quite rapidly because of
22 declining economic conditions here.

23 The economic conditions truly are not getting any better but they're
24 getting worse. And it just appears to me that the idea of mandatory
25 boroughization is simply not -- it is the wrong idea at the wrong time.
26 Specifically the wrong time. Most people that follow economics realize

1 there's a well known economic theory called supply side economics, which
2 basically says in order to stimulate the economy you attempt to put money
3 back in the hands of the people to spend the money to stimulate. Mandatory
4 boroughization and the subsequent cash burden that would fall on the people
5 is exactly the opposite. In the words of one of the -- a gentleman that I
6 visited on Capital Hill this last week, the remedy is worse than the disease.
7 Thank you very much.

8 CHAIR WARING: Thank you, Mr. Carlson. And I believe we have a
9 question for you from Commission Harcharek.

10 COMMISSIONER HARCHAREK: Mr. Carlson, how many separate school
11 districts are there on the island of Craig -- Prince of Wales Island?

12 MR. CARLSON: There are four.

13 COMMISSIONER HARCHAREK: Okay. Thank you.

14 CHAIR WARING: Thank you, Mr. Carlson.

15 MR. QUEEN: Mr. Chairman, I would also like to mention that the
16 City of Kasaan is here and has at least one person ready to testify.

17 CHAIR WARING: We're prepared to hear it.

18 MR. QUEEN: If the City of Klawock and our colleagues are done,
19 we would like a chance at some point.

20 CHAIR WARING: This is your chance.

21 MR. GASAWAY: Mr. Chairman, the City of Klawock has no further
22 testimony.

1 MR. RIEVES: Mr. Chairman, this is Mike Rieves in Hollis waiting
2 also.

3 CHAIR WARING: I was waiting on Kasaan if the person that -- the
4 party there was ready to speak.

5 MR. QUEEN: Yes. My name is Michael Queen. Q-u-e-e-n. I'm
6 the administrator for the City of Kasaan. And I would like to, first of all,
7 thank the members of the Commission for this opportunity to speak. It was
8 just yesterday we learned that we were indeed able to call in after being
9 told a couple days prior that we couldn't. So I appreciate the effort being
10 made for us to be able to speak here.

11 On behalf of the City of Kasaan I would like to reiterate what's
12 already been said, that the City of Kasaan formally faxed a resolution to the
13 Boundary Commission yesterday, Resolution KA-03-02001, opposing the proposed
14 boroughization of Prince of Wales Island. And would like to really, really
15 underscore the fact that at this particular time it is not wisdom or prudent
16 to add another layer of government on an area that's in really absolute
17 collapse. Governor Murkowski himself described the collapse or the closing
18 of the Wards Cove fisheries in this area as a catastrophe.

19 And very recently -- even more recently than that I believe at the
20 Silver Bay Logging or Timber, the last one of the -- well, I think it's the
21 last big outfit here on the island for timber, has filed for bankruptcy.
22 Since 1997 or so we've seen almost a 20 percent drop in population here and
23 we are bound to see further outflow of population as people and loggers and
24 fishermen who look to other places to secure their livelihood.

25 Kasaan is in a particularly tough position. We are a second class
26 city, but over half of the property within the municipal boundaries here is

1 restricted land and owned by members of the Haida tribe through the Organized
2 Village of Kasaan. To add the layer of borough government here would mean
3 that over half the people who own land here would not be subject to any sort
4 of taxation by any sort of borough, and put Kasaan, the island, at further
5 disadvantage to being able to have any sort of economic stimulus.

6 We have over 50 percent, it's probably closer to 80 percent,
7 unemployment here in the village and there are no commercial fishing permits
8 here as have been described in the borough report. And the one timber mill
9 that -- the one small mill that we did have, the wind blew the roof down on
10 the -- and it's no longer in operation. A lot of the facts and figures that
11 are included in the report relative to our area are simply erroneous and no
12 longer a matter of fact.

13 I would like to just say that we do strongly encourage the State of
14 Alaska to encourage the school districts to consider consolidation. And I
15 know that I and the citizens of Kasaan, would certainly see that as an
16 alternative to the forced boroughization of this area. And at this
17 particular point I believe that's all I really have to say.

18 I send greetings on behalf of Mayor Richard Peterson. I'm not sure if
19 he was able to testify earlier. He's had a person in his family on death
20 watch right now, and may not have had a chance to testify earlier. So I
21 thank the Commission very much for the opportunity to speak here on behalf of
22 the City of Kasaan.

23 CHAIR WARING: Thank you, Mr. Queen. I'm sorry for Mayor
24 Peterson's circumstances. I did just want to take a moment to make clear one
25 thing. We will pass on to the Legislature, and we've already received I

1 think one from Kasaan, these resolutions stating support for Opposition 2
2 mandatory borough incorporation.

3 I did want to make clear though that what the Legislature asked the
4 Commission to do was to prepare a fact finding report about those areas that
5 meet the standards. Specifically we are not going to recommend or propose
6 borough formation in any area. We are forwarding the information and -- but
7 I do expect the Legislature will be considering the advisability of -- now or
8 at some future date, of any borough incorporation. But the Commission's
9 report itself is not going to be making recommendations of that sort.

10 We are just going to answer the question as best we can as the
11 Legislature asks us to examine for them, and that is whether there are areas
12 now that do satisfy the standards, whether or not it is timely to incorporate
13 boroughs there. I just wanted to make that clear. Thank you again for
14 taking time to speak to the Commission.

15 MR. RIEVES: Mr. Chairman?

16 CHAIR WARING: Did I hear -- is there a house.....

17 MR. RIEVES: Hollis.

18 CHAIR WARING: Yes. Wait. Is this Mr. Queen?

19 MR. RIEVES: No, sir. Mike Rieves in Hollis.

20 CHAIR WARING: Well, let me -- is Mr. Queen in the Kasaan site
21 done?

22 MR. QUEEN: Yes, we're done now.

1 CHAIR WARING: Okay. Thank you. We'll move on to Hollis.
2 Please introduce yourself and.....

3 MR. RIEVES: Mr. Chairman.....

4 CHAIR WARING: We're listening.

5 MR. RIEVES: Are you ready for Hollis?

6 CHAIR WARING: Yes, we are.

7 MR. RIEVES: Okay. For the record my name is Mike Rieves.
8 That's spelled R-i-e-v-e-s. A Hollis resident of 23 years and a state
9 resident for 36. I'm speaking as an individual, but I assume I'm probably
10 representing the sentiments of a good number of folks who live in Hollis on
11 Prince of Wales Island.

12 Even if this unorganized borough review is a result principally of
13 concerns surrounding state education expenditures, it particularly is a drive
14 from political perspectives focused on contribution differentials. It is
15 important to examine some facts which may serve to reserve until a later more
16 appropriate time the process which is at hand. Such a future time could be
17 realized when a representative majority of Prince of Wales Island residents
18 would agree on both the necessity and advantages of petitioning the LBC for
19 borough formation.

20 Item one, a fact. For the 2003 fiscal year total state entitlements
21 for the four school districts on the Prince of Wales Island Model Borough
22 capture only one and a quarter percent of those expenditures made for all of
23 the school districts in the state, i.e., trivial. I'd note also that the
24 eight model boroughs now being reviewed, taken in combination, used only 6.7
25 percent of that state total.

1 Item two, a fact. As given in the table on page 44, chapter three of
2 the draft, the estimate of (indiscernible) and true taxable property outside
3 the city school districts on Prince of Wales listed as approximately \$75
4 million, even if taxed at the 4 mil rate, would produce only 3.6 percent of
5 the fiscal year '03 Prince of Wales state entitlement, i.e., trivial once
6 again.

7 Item three. If there is a real revenue deficiency problem for the
8 state, then clearly from the foregoing, any significant part of a solution is
9 not to crack the peanut with a sledge hammer by imposing an economically
10 unwarranted, and at this time unnecessary, borough government on Prince of
11 Wales.

12 Item four. Again, if there is a real revenue deficiency, what happened
13 to instituting the state income tax as referenced by earlier speakers, with
14 an attached fixed amount of school tax being similar to what was in place
15 before state government became giddy from oil wells. With such a combined
16 tax in place, not only would all who file the federal
17 returns represent an equitable participation in the funding of state
18 services, but it would also provide on the order of 35 to \$40 million
19 calculated at \$100 a return for dedicated school expenses. By equivalency
20 comparison this amount represents more than 75 percent of what the state now
21 pays out in total entitlements for all eight of the model boroughs. This tax
22 would apply to residents and non-residents alike.

23 Item five, a final item. A combined state income and school tax could
24 easily be modulated as a function of variations in resource revenues, and
25 such a funding methodology sits in distinct contra-position to expropriation
26 of Permanent Fund dividend monies and imposition of regressive sales taxes.

1 It is patently preferable that the many pay modest, if any, amount correlated
2 to their income than to have the few pay eschewed amount which is the highly
3 factored and in many ways financially devastating as a result of application
4 of the true and full value assessment standard.

5 I may revise and extend these remarks in written summation for the
6 record. Good day, and thank you folks for your time.

7 CHAIR WARING: Thank you, Mr. Rieves, for your comments. I hope
8 that you do submit them for the record. This is Commissioner Waring
9 speaking. I have listened and it has been very helpful to listen to all of
10 the comment and testimony and written comment that the Commission has
11 received, but I have got to say, sir, that part of what you tell us to me is
12 totally offensive. All we have in this state is individuals and households
13 who pay taxes. Any individual is a small part, and that's no excuse for any
14 individual or any group of individuals from being totally excluded from their
15 fair share of responsibility. So.....

16 MR. RIEVES: You missed the point.

17 CHAIR WARING:on that point I have got to say you are very
18 unconvincing to me.

19 MR. RIEVES: Well, I'm sorry if you can't digest it, but you did
20 miss the point, my friend. I spelled out specifically that everybody who
21 made money in the state of Alaska would contribute. You know what everybody
22 -- that includes non-residents that come and go. Did you pick up on that?
23 If that's offensive to you, well, I guess you're in the wrong place.

1 CHAIR WARING: I hope that you will take the trouble to submit
2 written comments and it'll be clearly then in the record what you do have to
3 say.

4 MR. RIEVES: Yes. I will submit.

5 CHAIR WARING: Thank you. Is there anyone else at Hollis who
6 wanted to speak?

7 MR. OSBORNE: Mr. Chairman, the City of Thorne Bay would like to
8 be recognized.

9 CHAIR WARING: Fine. If you would please begin. Please just
10 introduce yourself by name and spell the last name and please give us your
11 three minutes of comments each.

12 MR. OSBORNE: Mr. Chairman, my name is Stan Osborne. S-t-a-n O-
13 s-b-o-r-n-e. I'm the current mayor of the City of Thorne Bay, and we have
14 about a half a dozen concerned citizens of Thorne Bay who have been
15 monitoring the call since approximately noon today. And instead of us taking
16 time stating what has been -- what we feel overwhelming stated, is there is
17 concern that the changes on the Prince of Wales Island continue and the data
18 is not reflective of the continuing changes, and we would reserve the right
19 to have our individual identities in the communities on the island be
20 preserved. That the boroughization isn't by far a proved method of doing
21 that. And that if there's problems with funding school districts on Prince
22 of Wales Island, that the Legislature already has a Department of Education
23 by which the means to correcting the funding issues are dealt with that
24 department and not necessarily looking into the municipalities to correct the
25 funding issues with school districts. That's the gist of the comments from
26 myself.

1 CHAIR WARING: Thank you, Mr. Osborne. We'll welcome the next
2 person, please.

3 MR. OSBORNE: I don't think we have any other individuals willing
4 to testify, but we're thankful for the opportunity to listen.

5 CHAIR WARING: Thank you. And I do want to acknowledge that from
6 your community and others on Prince of Wales Island, we have received a
7 substantial amount of written commentary. Commission members will have that
8 and that will be in our minds as we consider what final recommendations --
9 pardon me -- final report findings will be. I just wanted to make -- assure
10 you that we did have and would be considering those comments.

11 MR. OSBORNE: Thank you.

12 CHAIR WARING: Thank you. Craig, is there anyone there now
13 wanting to speak? Wrangell or Petersburg?

14 UNIDENTIFIED VOICE: Wrangell has three more.

15 CHAIR WARING: Which site is it?

16 COMMISSIONER TESCHE: Wrangell.

17 UNIDENTIFIED VOICE: Wrangell.

18 CHAIR WARING: Well, fine. If they could please take their
19 turns.

20 MS. BARLOW: This is LaTonnie Barlow from Wrangell. This year
21 Wrangell is celebrating its 100 year birthday as a home rule community. The
22 city has consistently supported its school. For the last five years it's
23 equal to an equivalent of 14 mils. Our school enrollment has been on a

1 steady decline for the last eight years. This coming year we will have to
2 reduce our certified staff by 15 percent. Forming a borough between Wrangell
3 and Petersburg will impose an unnecessary and additional layer of government
4 that is expenses at a time of declining revenues for both of our communities.
5 Thank you.

6 CHAIR WARING: Thank you, Ms. Barlow. Next person, please?

7 MR. McMURREN: This is William McMurren. M-c-M-u-r-r-e-n,
8 city council. I would like to state that we surely do not want to be in a
9 borough with Petersburg for the simple reasons our overhead will take the
10 money that we could possibly get in taxes. The money -- the overheard for
11 the extra government would take all the money we would get in taxes to run
12 it. We should be in a borough by ourselves. That way we'll not have to have
13 the borough manager or anything, we'll have it all in one -- there'll be no
14 more overhead. Thank you.

15 CHAIR WARING: Are you concluded, sir?

16 MR. McMURREN: Yes.

17 CHAIR WARING: Okay. I wasn't sure whether we had lost you.
18 Thank you for your comments. And if there's another person we'd be glad to
19 hear them.

20 MS. PRIVETT: This is Janell Privett. Last name Privett, P-r-i-
21 v-e-t-t, and I'm president of the school board. I'm going to read to you the
22 document that the Wrangell School Board and the Wrangell City Council have
23 used as our lobbying document and our position on the borough -- model
24 borough formation. And it is completely against what we believe in the

1 community. And so I will read to you what the Legislature has been
2 introduced this week by the Wrangell Liaison Group.

3 Voluntary incorporation of the unified municipality is acceptable to
4 the potential alternative of having a different borough government imposed
5 upon residents of the state or leaving (indiscernible) in an unorganized
6 borough. The framers of the Alaska constitution provisions for boroughs
7 clearly envision that single community boroughs might be formed. The
8 Legislature, in enacting standards for boroughs, did not require two
9 communities and several single community boroughs now in existence, and are
10 effecting delivery services. Whatever expense might be made in imposing such
11 a multiple community presumption upon the broader regional type borough, the
12 Local Boundary Commission should examine the merits of relaxing the
13 presumption when reviewing a proposal to form a unified municipality, except
14 species of boroughs traditionally associated with a salmonated (ph) urban
15 center.

16 A requirement or even a presumptive standard or a second stand-alone
17 community and proposed unified municipality would run at a cross purpose
18 which are unconstitutional goals encouraging creation of boroughs.
19 Additionally, the Alaska constitution clearly provides for a minimum of local
20 government, a prevention of multiple tax levying jurisdiction.

21 And as well, we'd like to get clarification. We heard that you are
22 still taking written testimony. While we were at the Legislature this week
23 they said that the rule for written testimony ends on February 6th.

24 COMMISSIONER TESCHE: She's asking for the deadline for written
25 comment.

1 CHAIR WARING: Yeah. We will take comment until February 14th
2 and we'll include anything we receive by that date with our report when it is
3 delivered to the Legislature. Anything that we receive after that time we
4 will forward on as well, but it will not go at the time that our report goes
5 forward. And if you have a copy of the resolution that you read that you
6 would wish to fax to us, perhaps you can do that right now at the Legislative
7 Information Officer there. I can give you our fax number here which is 269-
8 0229.

9 MS. PRIVETT: That's my testimony. But Wrangell does indeed
10 support the single site borough unified. And Wrangell has -- in fact, tried
11 to do that. But unfortunately we also have a law that is causing a lot of
12 problem in our community in bringing forward to the reviewing body the
13 opportunity to apply for that borough formation. Under Wrangell's law, only
14 a few have a say so that individuals outside this jurisdiction, at the last
15 time we have to have 15 percent for Wrangell, that's six signatures. I
16 realize that may not sound like a lot of signatures, it's almost an
17 impossible amount of signatures to receive.

18 And I guess a point that I'd like to make is that the community of
19 Wrangell as well is very much an insider community. We pay our taxes. We
20 have a school that is supported by the taxes paid to this community. Over 38
21 percent of our taxes go into school. And there seems to be misinformation
22 somewhere about whether or not Wrangell is organized. Since 1903 and
23 certainly before that.

24 And so I guess we at best are discouraged by the -- someone's concept
25 of a model borough and the opposite is driving them. So again, we are
26 against the model borough formation and we will get you our written testimony
27 on the resolution. Thank you.

1 CHAIR WARING: And thank you for taking the time to provide us
2 that information. Is there another person at the Wrangell site prepared to
3 speak?

4 UNIDENTIFIED VOICE: No. It looks like we're done at this time.
5 Thank you.

6 CHAIR WARING: All right. Thank you. And if anyone else shows
7 up then let us know and we will accommodate them. I believe that at
8 Petersburg, we have a Mr. Beardslee who wishes to speak to us?

9 MR. BEARDSLEE: That's correct. My name's Phil Beardslee.
10 Basically I'm speaking as a prospector in the Petersburg area, and I
11 represent a group of people, mostly local that formed a mining exploration
12 company, Olympic Resources Group. We've been at this some time. We do
13 everything an exploration company would do. We core drill.

14 We've done a lot of work on Woewodski Island situated pretty much
15 between Wrangell and Petersburg. We have some pretty decent results that
16 speak favorably in favor of potential mining in this area, and we're pretty
17 close to an agreement with a mining company for being here this summer for
18 some deep drilling. Both towns will be affected by this. Jobs -- it would
19 create jobs in both towns eventually, and because of this and for the area,
20 for potential mining that exists in -- that would exist in both boroughs, I
21 personally favor a Wrangell/Petersburg joint Borough. However, I understand
22 that at this time neither towns economic -- Wrangell (indiscernible) excuse
23 me, Petersburg has an impending court case (indiscernible).....

24 UNIDENTIFIED VOICE: He needs to be closer.

25 COURT REPORTER: He's too far from the mic.

1 MR. BEARDSLEE: pretty much affected economic
2 (indiscernible).....

3 CHAIR WARING: Tell him to move closer.

4 MR. BEARDSLEE: any decision for probably 18 months to two
5 years until we realize the potential for mining jobs in this area. That's
6 basically all I have to say. Thank you.

7 CHAIR WARING: And thank you, Mr. Beardslee. Is there anyone
8 else there with you know that wanted to speak?

9 UNIDENTIFIED VOICE: Yes, Mr. Chair, we have Dana Phynes, P-h-y-
10 n-e-s.

11 CHAIR WARING: Thank you. And we will be glad to hear her.

12 UNIDENTIFIED VOICE: Hello?

13 CHAIR WARING: Yes.

14 UNIDENTIFIED VOICE: Okay.

15 MS. PHYNES: I'm from Kupreanof Island, and I'm not representing
16 the City of Kupreanof or anyone in particular but myself and my family. We
17 are considered to be remote where we live from the city of Petersburg, and we
18 are a little concerned over there that Petersburg might try to annex us and
19 make us part of the borough, if there is a borough. We have no interest in
20 such a thing.

21 And a recent study by Sheinberg & Associates to consider the various
22 borough configurations for Petersburg and the surrounding areas has reached
23 the same conclusion as that of most taxpayers in this region. Borough

1 formation and maintenance will cost us much more than it's worth. Our entire
2 Southeast Alaska Panhandle, with the exception of Juneau, is making economic
3 adjustments. The provision for borough formation was mandated undoubtedly
4 when Alaska and its prospects for an economy were much brighter. At that
5 time North to Alaska was inspiring, and unsuspecting Alaskans had no idea
6 that vast portions of their state would be designated untouchable park land.

7 Most of Southeast Alaska, for example, is owned by the federal
8 government and so it is subject to myriad restrictions on natural resource
9 development. Real economic growth is severely hobbled under these
10 conditions, and without a growing economy, there is no reason for growing
11 government.

12 The Sheinberg study also asserts that people in the outlying, such as
13 my family, make use of Petersburg's infrastructure without paying for
14 services. This is not so. If we compare a renter living in Petersburg and a
15 renter living at Papke's Landing, for example, or Kupreanof, such as
16 ourselves, a renter at Papke's contributes just as much to the economy of
17 Petersburg, perhaps more, considering the added expense of fuel and
18 transportation. Both renters shop for their groceries, hardware, fuel,
19 clothes, et cetera, in town, pay the same sales tax on all goods and
20 services, which are incidentally supplied by the private sector, such as the
21 telephone company and grocery stores, and not the city of Petersburg.

22 Those -- the services that are supplied by the public sector include
23 solid waste, electricity, occasional road maintenance on a school bus ride.
24 The cost of services is well below the revenues extracted in the form of
25 sales taxes.

1 People who have decided to live in the outlying areas do not expect
2 fire and police protection, or to acquire more services since most folks
3 understand that the costs exceed the benefit.

4 The argument that folks in the outlying areas that make use of the
5 city's infrastructure without paying for it could also apply (indiscernible)
6 and federal government offices in Petersburg. And to (indiscernible). If
7 they were indeed (indiscernible) rather than an (indiscernible) to our local
8 infrastructure, I'd be glad to see them leave, of course, but (indiscernible)
9 the community (indiscernible) tolerant.

10 UNIDENTIFIED VOICE: She's breaking up.

11 MS. PHYNES: Is this -- am I breaking up?

12 UNIDENTIFIED VOICE: Yes.

13 MS. PHYNES: I'm sorry. This point was made clear a few years
14 ago when the U.S. Forest Service made plans to leave Petersburg and relocate
15 to Ketchikan. There was a terrible outcry in Petersburg.

16 The Sheinberg study indicated that a possible \$50,000 could be raised
17 by folding Mitkof Island, Kupreanof, and the surrounding areas into a borough
18 government. That \$50,000 would not pay the salary, not to mention benefits,
19 of one Petersburg department head. How could it possibly cover the cost
20 associated with borough government? We cannot tax ourselves into prosperity.
21 We don't need to have a borough. We need to revise the mandate, for until
22 the econ -- until the region's economically unshackled, we certainly cannot
23 afford it. Thank you.

24 CHAIR WARING: Thank you for your comments, and particularly for
25 the information about Kupreanof's circumstances. Is there another person

1 with you who wanted to speak to the Commission? I have a name of Gerald
2 Laubhan?

3 MR. LAUBHAN: Mr. Laubhan here, Mr. Commissioner.

4 CHAIR WARING: Oh. Well, please, welcome, and we'd be glad to
5 hear your comments.

6 MR. LAUBHAN: Thank you, sir. This is Gerald Laubhan, L-a-u-b-h-
7 a-n. I live on Kupreanof as well with my wife. We're considered remote.

8 We were kind of wondering if there shouldn't be always some place in
9 this great land of ours where independent people can live without paying for
10 another city's infrastructure that we don't really use or want or need. Our
11 sort of the last frontier spirit's going to be lost if all of Alaska's
12 boroughized and becomes like any other state in the union. Imagine if we're
13 compared to California or Florida or Oklahoma or Texas. I think we should
14 all kind of resist this total boroughization of rural Alaska and the unfair
15 oppression that this measure will put on our last real independent pioneers.
16 First we sort of stole the land and then we regulated the rights of everyone
17 to hunt and fish and feed ourselves, and blindly allowed butchering of this
18 land's resources, and now we intend to charge our independent pioneers
19 dollars that they can't earn just because they live in their homes in their
20 own land. What kind of people are we? For shame.

21 That's all I have, sir.

22 CHAIR WARING: Thank you, Mr. Laubhan, for taking time to speak
23 to us.

24 MR. LAUBHAN: You're welcome.

1 CHAIR WARING: Is there anybody else there at your site who
2 wanted to speak to the Commission?

3 MR. LAUBHAN: No, sir.

4 CHAIR WARING: Well, thank you then, and good day.

5 MR. LAUBHAN: Good day, sir.

6 CHAIR WARING: Let me.....

7 MS. DUNCAN: Mr. Waring, we've requested (indiscernible).

8 CHAIR WARING: Pardon me?

9 MS. DUNCAN: I request to speak for the Community of Coffman
10 Cove, please, Commissioner Waring.

11 CHAIR WARING: Elfin Cove? Did you say Elfin Cove?

12 MS. DUNCAN: Coffman Cove, please, sir.

13 CHAIR WARING: Coffman Cove. Thank you. Just please identify
14 yourself for the record and go on, please?

15 COURT REPORTER: I need to put another.....

16 MS. DUNCAN: Carolyn.....

17 CHAIR WARING: Wait, we're changing a tape. If you can hold on
18 for just a second.

19 MS. DUNCAN: Certainly.

20 COURT REPORTER: Go ahead.

1 CHAIR WARING: Excuse me for the false start. Please begin.

2 MS. DUNCAN: Thank you, sir. This is Carolyn Duncan, D-u-n-c-a-
3 n, council person for the City of Coffman Cove.

4 We would like to protest the formation of a borough on Prince of Wales
5 Island. I think I can state for most of the community in saying that we
6 don't feel that we as a small community can support it. Since the year 2000
7 when our population was about 190, we've lost about 30 people, and when KPC
8 left the vicinity, we lost anywhere from 70 to 50 good paying jobs. That
9 means that eight people in this community are currently employed with
10 benefits, and about 65 of us work seasonally, by which I mean, maybe do
11 dishes for a lodge, do clerical work, not very high dollar value jobs being
12 talked about here. The 70 to 50 jobs lost between '98 and the year 2003
13 probably represented that \$43,000 a year figure for a family. I'm sure we
14 can't represent that any more here.

15 We would like to help, but I don't feel that we're a tax base for you.
16 Thank you, sir.

17 CHAIR WARING: Thank you, Ms. Duncan. Is there anyone else there
18 with you who also wanted to speak?

19 MS. DUNCAN: I think not, sir, thank you.

20 CHAIR WARING: Well, thank you then. Let me check back to
21 Wrangell or Petersburg, are there any parties there that wanted to speak now?
22 Apparently not. Anyone else anywhere that is listening that would like to
23 take advantage of a quiet moment and speak to the Commission? Well, we will
24 just continue to listen then, and hope that -- I'll check periodically, hope
25 that anybody who does join us will.....

1 UNIDENTIFIED VOICE: Mr. Chairman?

2 CHAIR WARING: Yes?

3 UNIDENTIFIED VOICE: Yes, this is Glennallen, and we do have one
4 more person here that is wanting to testify.

5 CHAIR WARING: Well, very good. We are ready to hear.

6 COURT REPORTER: Who was that?

7 UNIDENTIFIED VOICE: I didn't get your name.

8 UNIDENTIFIED VOICE: Glennallen.

9 CHAIR WARING: In Glennallen?

10 UNIDENTIFIED VOICE: Yes, sir.

11 CHAIR WARING: Yes, that's fine. Please.

12 UNIDENTIFIED VOICE: Go ahead.

13 MS. SLOBOBA: My name Kathy Sloboba, it's S-l-o-b-o-b-a. And
14 I've lived in Glennallen for 42 years. I have a homestead here which I have
15 -- anyway, I've lived here a long time, and I work for the Postal Service.

16 I believe that some of the statements made in the Chapter 3, a portion
17 of Chapter 3 that I was able to read, I have not been able to read that whole
18 boo, because there was not enough time given in this time period that --
19 well, after we received the book, and -- but I did spend a little time
20 reading a section of Chapter 3 and found it flawed, misleading, and quite
21 redundant.

1 I believe that the population estimate are in error at this time. Our
2 population has fallen somewhat I believe from some of these figures. The
3 Tazlina, Silver Springs, and Copperville areas should be probably included in
4 the Glennallen population, because all of those people -- not all of them,
5 but most of them get mail at Glennallen at the post office. And our post
6 office has only about 550 boxes at the most, and not all of them are in use.
7 So you have Glennallen, a population of 554, Copperville stated at 179,
8 Tazlina at 149, and Silver Springs, some of those people, too, get mail at
9 Glennallen, at 130. Now, I know there's some children in these numbers, but
10 actually most of the boxes at Glennallen are owned by adults, and there's
11 only probably between 5 and 500 -- I mean, 500 and 550 boxes. So that's kind
12 of an error I wanted to stated about.

13 And the communities of Tazlina, Silver Springs, and Copperville are
14 nothing more than old homesteads that were subdivided and sold to
15 individuals. They are not communities in themselves. While a few of them
16 have a little grocery store, there is one little grocery store at Tazlina,
17 and also I'll get to that.

18 In the -- this is on page 29 of Chapter 3, I would like to quickly go
19 through. There's a line 36 through 41 of Paxson. I would dispute that
20 there's five lodges and restaurants and bars in the area, unless you combine
21 all of those reaching the number 5. Maybe. Several gift shops. Well, I
22 don't know about that. There might be one or two or three. There is no post
23 office there (indiscernible). There's a little wall on a lodge which is the
24 -- has a bunch of boxes in it, maybe between 20 to 50 boxes. I don't know
25 how many they have. And they're probably not open six days a week either.
26 They're open whenever the waitress can get to this.

1 The last sentence in that Paxson area, one resident holds a commercial
2 fishing permit is irrelevant. It should be struck.

3 Going on to Tazlina, the description on the same page. Combined
4 liquor, grocery, hardware, gas, a sporting (ph) goods store, and a wholesale
5 bread distributor and freight service. All of that is just one owner. He
6 owns all of it. And the only other business is the RV park. Okay. Also,
7 the Prince William Sound Community College has moved from Tazlina, and it is
8 now located in Glennallen.

9 Going on to page 30, Silver Springs and the description. You should
10 strike the National Park Service office, because they are no longer at Silver
11 Springs. They have moved. They are now located at Tazlina.
12 (Indiscernible) redundant in (indiscernible) information on the description
13 of Tazlina. Saying two RV parks and three river (indiscernible) operate from
14 Copper Center. Well, why are (indiscernible) Copper Center when you're --
15 when it's within the description of Silver Springs? That should be struck.
16 That second sentence, line five, the two RV parks and three, that should be
17 struck out there.

18 Copperville, population 179. We've been through that. And also Willow
19 Creek down on line 26. Again you mention the National Park Service offices.
20 All of this information is redundant, because there are a lot of people in
21 the area spread all over that work for the National Park Service, and it
22 should not be mentioned again and again and again in each community like we
23 have a real viable community here and thriving.

24 In Gakona you should combine the motel, restaurant, bar. It's all
25 owned by the same party. The newspaper print shop is no longer operating.
26 They've moved to Anchorage. They still own the land there and they may print

1 a seasonal, annual Copper -- what is it, that -- they do an annual booklet
2 for the tourists, but I think it's printed in Anchorage.

3 CHAIR WARING: Ma'am, this is the Chair. Could I ask how much
4 information you have that you wanted to provide us at this time? How much
5 more?

6 MS. SLOBOBA: About -- it goes on for two more pages, but it
7 various.

8 CHAIR WARING: Well, could I ask that this would be a way of
9 making sure we get it accurately if I could give you a fax number and if you
10 could fax it to us, we would then have that information and could.....

11 MS. SLOBOBA: Yes, please, that would be great.

12 CHAIR WARING: That would make.....

13 MS. SLOBOBA: I don't have.....

14 CHAIR WARING:sure we get it accurately. You could fax
15 it.....

16 MS. SLOBOBA: Excuse me, I don't have access to a fax machine
17 unless.....

18 CHAIR WARING: Just.....

19 MS. SLOBOBA:I use the library. What is -- but what is the
20 number?

21 CHAIR WARING: Dan, why don't you give us the office number?

22 MR. BOCKHORST: For our office?

1 CHAIR WARING: Yes.

2 MR. BOCKHORST: 269-4539.

3 CHAIR WARING: And that number will be available during -- well,
4 is it always on, Dan?

5 MR. BOCKHORST: It is.

6 CHAIR WARING: Yeah. That number is always on, so that you can
7 fax it to that number any time it's convenient before -- most helpfully
8 before the 14th.

9 MS. SLOBOBA: Okay. Well, I will try to do that. I really
10 appreciate your.....

11 CHAIR WARING: Well, we appreciate.....

12 MS. SLOBOBA:(indiscernible - simultaneous speech).

13 CHAIR WARING:the painstaking reading you've given in
14 the.....

15 MS. SLOBOBA: Well, I wish I could have gone onto the other
16 portion, part -- in Chapter 3, page 45, parts 7, 8, and -- 7 and 8. And.....

17 CHAIR WARING: Well, if you will provide us the information, we
18 will review it, especially if you could provide it -- you know, the more
19 quickly you could provide it, that is the more surely we can double check
20 those facts.

21 MS. SLOBOBA: Okay. Well, could you give me a little
22 information? What is the -- how many owner occupied households were counted

1 in the whole area of the Copper River Basin model borough? How many
2 households were counted?

3 COMMISSIONER TESCHE: If she had information that suggests what
4 we've got on our report is inaccurate, please provide it.

5 CHAIR WARING: Yeah, if -- again, I would just ask that you
6 provide -- the information in our report on -- as far as household numbers
7 and income and such comes from the year 2002 census.

8 MS. SLOBOBA: I'm sorry, but the census taker was probably in
9 error. I can't give you, you know, I didn't do the census myself.

10 CHAIR WARING: Well, if.....

11 MS. SLOBOBA: And if your book doesn't have it, where do I get
12 that information?

13 COMMISSIONER TESCHE: Then how do you know it's in error?

14 CHAIR WARING: Yeah. Ms. Sloboba, we've allowed three minutes to
15 most participants to give us their information and concerns. We welcome your
16 information, but I would ask that you please fax it to us. That way we will
17 have a record of it, and we will have it accurately, and we will review the
18 document and make changes that seem advisable.

19 MS. SLOBOBA: Well, thank you very much for allowing my
20 testimony.

21 CHAIR WARING: And we do appreciate the time that you have put
22 into reviewing the document, and I do, though, want to make sure that others
23 who may be waiting on line have their opportunity to speak to the Commission,
24 too. Thank you again, and please do fax it to that number that we provided.

1 MS. SLOBOBA: Thank you very much. I will.

2 CHAIR WARING: Thank you very much. Let me ask if there is
3 anyone listening now who is prepared to or wanting to speak to the
4 Commission?

5 UNIDENTIFIED VOICE: We have one question here in Tok about a
6 tape being available. Will there be a tape available to get from you guys
7 when you're done.

8 CHAIR WARING: Is there someone in Kake?

9 MR. BOCKHORST: Tok.

10 CHAIR WARING: Oh, in.....

11 UNIDENTIFIED VOICE: In Tok.

12 CHAIR WARING: Yes. Yes, we can go back to Tok.

13 MR. BOCKHORST: No, she's asking for a copy of the tape of the
14 meeting apparently.....

15 UNIDENTIFIED VOICE: Somebody had.....

16 CHAIR WARING: Oh. Is that.....

17 MR. BOCKHORST:is what I get out of it.

18 UNIDENTIFIED VOICE: Yes.

19 CHAIR WARING: Will we have a copy of a trans -- a tape, an.....

20 UNIDENTIFIED VOICE: Yes.

21 CHAIR WARING:audio tape of our meeting?

1 UNIDENTIFIED VOICE: Will it be possible to get a copy of the
2 tape made today?

3 CHAIR WARING: We will have both a tape and a transcript, which
4 might prove more useful if -- and I believe that will be within a number of
5 days, posted on the State web site if the person has access to that. How
6 long will that take, Dan?

7 MR. BOCKHORST: We're asking for it within a week. But as you
8 can appreciate, Mr. Chairman, typically when the transcripts come back, if
9 the transcriber is not familiar with the communities or it is unclear the
10 names and spellings, we could post on what we receive, but.....

11 CHAIR WARING: Well, if we have a name and address, we can early
12 next week send on an audio tape?

13 MR. BOCKHORST: Yes.

14 CHAIR WARING: And a transcript and it may take some time to
15 double check and verify the accuracy of the transcript. The transcript will
16 eventually be posted I would imagine at least within two weeks? We would
17 hope within two weeks so that a written record as well as the audio tape that
18 we can send if we simply have the name of the party who is interested.

19 UNIDENTIFIED VOICE: Thank you. We will be checking the web
20 site.

21 CHAIR WARING: Okay. Thank you. Is there anyone else attending
22 who wishes to speak? Is there anyone at the Juneau Legislative Information
23 Office? Well, we are momentarily quiet then. Do we have any use to make of
24 this time, or shall we just -- it's probably best to just wait until it's
25 over and then.....

1 COMMISSIONER TESCHE: How many more communities do we have lined
2 up to testify?

3 CHAIR WARING: The only one -- well, none lined up except Juneau
4 Legislative Information Office was scheduled at 2:40.

5 COMMISSIONER TESCHE: Have they -- at 2:40?

6 CHAIR WARING: Yeah.

7 COMMISSIONER TESCHE: So once we finish with them, we're
8 concluded with.....

9 CHAIR WARING: Then we're concluded with.....

10 COURT REPORTER: Did anybody respond from Kupreanof.

11 CHAIR WARING: Kupreanof. We had a lady from Kupreanof who spoke
12 from Petersburg. She was in Petersburg.

13 COURT REPORTER: Oh, okay. Okay.

14 (Off record)

15 (On record)

16 MS. PRICE: Hello? I'd like to speak at the hearing.

17 CHAIR WARING: Hello, we were momentarily off mic. Please
18 identify yourself, and we'd be glad to hear you.

19 MS. PRICE: Yes, my name is Elaine Price. I'm from Coffman Cove.
20 I'm the former mayor of Coffman Cove, and I'm also a former member of the
21 Southeast Island School District.

1 And what I would like to comment on is for Prince of Wales Island, it
2 seems that the poll (ph) issue is what's driving the formation of a borough
3 for Prince of Wales. And as an island, we don't feel like we can support a
4 borough in the manner in which it should be supported, but the communities
5 who don't pay school tax, almost everybody I've spoken to in the last year or
6 two, has said that they would rather be taxed for schools than taxed for a
7 borough. And, of course, some of the communities on our Island are already
8 paying taxes for schools, so we would have to do something that's equitable.
9 But the Legislature and the Local Boundary Commission have the authority to
10 institute a tax for people who aren't taxed for schools, and that's what we
11 would prefer to see.

12 CHAIR WARING: Was that the extent of your comment?

13 MS. PRICE: Yes, it was.

14 CHAIR WARING: Thank you then for taking time to speak to us.

15 MS. PRICE: Thank you very much.

16 CHAIR WARING: That will be part of the comments we.....

17 COMMISSIONER TESCHE: I'm going to ask this question.

18 CHAIR WARING: We do have -- Commissioner Tesche did want to ask
19 a question of you, ma'am.

20 MS. PRICE: Okay.

21 COMMISSIONER TESCHE: I've learned a lot -- this is Allan Tesche
22 from Anchorage. I've learned a lot today about the economy of Prince of
23 Wales Island, and it does seem to be pretty bad right now, especially with
24 the problems with the two timber operations. I guess my question is this,

1 one of the things that a local government can do, one of the powers that a
2 local government can exercise is the power to issue debt and issue bonds and
3 to engage in economic development activities. Now, as I understand the
4 unorganized areas of the Island, those sorts of activities could not take
5 place in the absence of local government. Do you see any advantage on Prince
6 William -- Prince of Wales Island to having a local government that could
7 promote economic development activities through the issue of bonds or other
8 similar debt? Or are you content with a system right now which basically
9 doesn't allow you to do that I guess for the better part of the island?

10 MS. PRICE: Most of the residents who have moved to that part of
11 the island where they don't have the ability to do economic development
12 through bond and such are comfortable with that. They moved there knowing
13 that was the way it was. Those of us that are in communities, second class
14 cities, we don't have the authority to tax without a vote, but we are
15 eligible for grants, and we do have some money that we got through what was
16 called the disaster fund that we use for matches for grants and stuff. And
17 we do some economic development. The federal government and the Forest
18 Service have programs in place right now to help the communities that's
19 distressed with the decline in logging. And so far that seems to be working
20 for us. What we're afraid of is if there's a borough and everybody gets
21 taxed, that we won't be able to support our local governments and a borough
22 also, because a lot of what funds our local governments is our timber
23 receipts and our payment in lieu of taxes, and we would lose those to the
24 borough if a borough was formed.

25 COMMISSIONER TESCHE: Okay. And I have another question. As far
26 as the school districts you have there, you've got approximately four school
27 districts?

1 MS. PRICE: Southeast Island School District has eight schools
2 that go from Hyder all the way to Edna Bay, Port Alexander and on the island
3 itself. And then there's the Craig School District, the Klawock School
4 District and the Hydaburg School District.

5 COMMISSIONER TESCHE: And I gather each of these four school
6 districts has a superintendent?

7 MS. PRICE: They do. They have a superintendent, and they all
8 each have their own individual business office.

9 COMMISSIONER TESCHE: And the.....

10 MS. PRICE: We've talked about consolidating some of those
11 services in the past, but, you know, it's pretty tough when they've all got
12 their own little area.

13 COMMISSIONER TESCHE: I mean, from what I've understood about
14 superintendents in smaller communities, the local communities have to offer
15 quite a bit of money to employ these superintendents, and it strikes me that
16 there could be some economies of scale if you didn't have to hire four
17 separate superintendents and four separate business offices for these school
18 districts. Am I reading the situation correctly?

19 MS. PRICE: Yes, you're correct. And it's a problem that we've
20 talked about in the past, you know, is the expenses of four different school
21 districts. Being on the Southeast Island School District Board like I was,
22 they have a paper that they've written where they don't want to consolidate,
23 and neither does Craig or Klawock. But I think we all see that what we want
24 and what's going to really happen are two different things. And I think some
25 of the school districts on the island can really work together to do

1 something to consolidate services. And I feel that if we do a school tax,
2 that's one of the things we need to look at is consolidating some services.

3 COMMISSIONER TESCHE: Okay. Then switching back to I guess
4 another thing that local governments do in Alaska is they get involved in the
5 regulation of land use. Are there any issues with respect to land use in the
6 areas outside of the cities that you've mentioned that are of any concern, or
7 is that just a vast empty quarter of the island that is most likely not to
8 change and not going to affect the residents of the communities? Give me a
9 sense of this place that I don't have.

10 MS. PRICE: Well, on Prince of Wales Island most of the land is
11 either owned by the Native communities or the Forest Service. It's federal
12 land. There's some state land and some university land that's available.
13 Our community at Coffman Cove, I can just tell you about our own community,
14 we work well with the University of Alaska in developing some of their land
15 for sale. We don't have any zoning ordinances in our community, and the
16 residents have made it real clear they don't want that, because they don't
17 want someone telling them what to do, and in return they understand that they
18 can't tell their neighbor what to do either. And we live with that, and it
19 works okay for us. We've seen other communities where the zoning ordinances
20 get so restrictive that it makes it very expensive and hard to do any
21 development. So most of the people on the island feel that way.

22 They have some limited zoning in Thorne Bay and Craig I believe, but
23 that's about it, and so far it works for us pretty well. The Forest Service,
24 you know, they had their whole public review process, and the Native lands,
25 they're free to do what they want there. The only thing they have to abide
26 by, of course, is the state regulations.

1 COMMISSIONER TESCHE: And you don't have concerns or needs for
2 watershed protection in areas outside of your cities?

3 MS. PRICE: Actually the State of Alaska has worked on some of
4 that. The city of Klawock at this time is working on their watershed.
5 Coffman Cove, our watershed is on State and Forest Service land, and we work
6 well with the State and the Forest Service on development in that area to
7 protect it.

8 COMMISSIONER TESCHE: Okay. Well, thank you very much. Thank
9 you, Mr. Chairman.

10 CHAIR WARING: Thank you, ma'am.

11 MS. PRICE: Thank you.

12 CHAIR WARING: Do we have anyone else waiting on line to speak?
13 We will wait to see if anybody else contacts the Commission between now and
14 2:55.

15 SEN. WILKEN: Mr. Waring?

16 CHAIR WARING: Yes, we're reconnected.

17 SEN. WILKEN: This is Gary Wilken in Juneau. I've just -- you're
18 going to close out here in another five or 10 minutes, and.....

19 CHAIR WARING: Yes, Senator, we are.

20 SEN. WILKEN: And I just want to thank you for your efforts
21 today, and one of the best run meetings I've had the pleasure to sit through,
22 so thanks for your efforts and to your staff for sending out this
23 information. And I learned a lot today. I think it's just been a great day,

1 so thank you for your efforts and we'll be in touch, and we'll see you down
2 here when you bring your report to the Legislature.

3 CHAIR WARING: Thank you.

4 SEN. WILKEN: Thank you to all the commissioners and to your
5 staff.

6 CHAIR WARING: Thank you. If you can bear with us a moment, I
7 think Commissioner Tesche had something to say, and I had.....

8 SEN. WILKEN: Yes, sir, I'm.....

9 CHAIR WARING:a small thing I wanted to say to follow up.
10 Commissioner Tesche?

11 COMMISSIONER TESCHE: Senator, as one member of the Commission, I
12 just wanted to thank you for enduring with us today for the entire
13 proceedings. I certainly took heart your remarks at the beginning of the
14 session today, so I look forward to seeing you in Juneau. Thank you.

15 SEN. WILKEN: Thanks, Commissioner.....

16 CHAIR WARING: And all I had.....

17 SEN. WILKEN:and thank you for your service for the last
18 five years, too, you've done yeoman's work for five years, and I certainly
19 appreciate.

20 CHAIR WARING: Well, thank you, and I saw an eyebrow raise on one
21 of my fellows here at the table. I find I may have mistaken something that
22 was said by one person, and I'm going to go double check that, and if I took

1 it wrong, give him my apologies, but I thought I heard him say something that
2 apparently did not, but so we go -- so it goes sometimes. Thank you.

3 SEN. WILKEN: Thank you.

4 (Off record)

5 (On record)

6 CHAIR WARING: Okay. We're ready to hear you now.

7 MS. SCHMOKER: My name is Nancy Schmoker, S-c-h-m-o-k-e-r. I
8 believe due to the lack of factual information from the concerned areas you,
9 the LBC, can't adequately present to the Legislature an accurate report. I'm
10 concerned that the draft will be so inaccurate. We need time to evaluate the
11 present material, to construct a decent reply for an appropriate, accurate
12 draft for the Legislature. Slana has not seen a copy of this exist -- of
13 these existing draft materials. The census in Slana since I moved here in
14 1986 have not been even close to accurate. Maybe time needs to be taken for
15 each community mentioned in your document to evaluate and verify accurately
16 for the draft, not the final copy only.

17 I believe the majority of local residents here have chosen a non-
18 governed lifestyle. That's why we live way out here. If people want fire
19 departments, garbage pick up, taxes, electrical power, they move to a town.
20 Yes, you heard right, we have no electrical power. We individually run
21 generators or have solar panels for our homes and businesses. This takes
22 extra time and money. Will the borough bring us affordable electricity?
23 Some local businesses are functioning out of their pockets just to keep the
24 doors open. When they close because of not being able to pay the extra
25 burden of taxes, this community will be devastated even more. A majority of

1 the incomes are small businesses or seasonal income or retirees. We make
2 enough money to just get by and we are satisfied. That is our plan.

3 Someone earlier stated that the documents state for development for
4 growth. Development for growth? Everyone does not want growth. Some of us
5 are satisfied to just take care of ourselves. A state tax for education is
6 acceptable to me, but all the other so-called services are not wanted, so why
7 force it on us? We want and can take care of ourselves. We don't want or
8 need a borough. We have no tax base for you to tax.

9 Where can I get a copy of this document Monday? And I do appreciate
10 your extending the date to the 14th for accepting comments.

11 CHAIR WARING: Thank you, ma'am, for your comments. Any
12 questions? Thank you.

13 MS. SCHMOKER: Where can I get a copy of this Monday?

14 CHAIR WARING: If you have access and I'm -- to an internet site,
15 you can access it there at the Commission's web site. Is that a possibility?

16 MS. SCHMOKER: Yes, sir.

17 CHAIR WARING: Then hold on a moment, and let me get the person
18 who knows exactly the address. Dan, what is exactly the address that a
19 person would need to go to get the draft report?

20 MR. BOCKHORST: From the website address?

21 CHAIR WARING: Yes.

22 MR. BOCKHORST: Well, the web site address,

23 Mr. Chairman, is printed on the notice.....

1 CHAIR WARING: She's listening.

2 MR. BOCKHORST: Okay. The web site address.....

3 CHAIR WARING: Do you have a copy of the notice of this hearing?

4 MS. SCHMOKER: No, I don't. I was just told verbally.

5 CHAIR WARING: Okay. Then if you've got a pencil handy?

6 MR. BOCKHORST: I could explain it best.

7 CHAIR WARING: Okay. Go ahead, Dan.

8 MR. BOCKHORST: The best -- the easiest way to get it is to go
9 the State's main web page, which is www.state.ak.us, and at the bottom of
10 that page is a bar where you can search in, you can type in the word Local
11 Boundary Commission or LBC and hit search. It will take you to the
12 Commission's web page, and there will be a prominent button displayed there
13 that says unorganized borough review. And if you go to that, it will take
14 you to the part of the Commission's web page where there is lots of
15 information, including the draft the reports that -- the Department on behalf
16 of the Commission I believe has sent out over 400 copies of those documents
17 to communities and other interested parties in eight regions which are under
18 consideration by the commission.

19 MS. SCHMOKER: Thank you very much. And we have one more here
20 that would like to speak.

21 UNIDENTIFIED VOICE: Also in Slana you can get a copy in the
22 Glennallen LIO or from the Tok LIO, and I will give you a copy of all of it.

23 MS. SCHMOKER: Thank you.

1 CHAIR WARING: Thank you for providing that information. We'll
2 hear from the next person, please?

3 MR. RILEY: Yes, my name is Joseph Riley, R-i-l-e-y. I spoke
4 earlier on behalf of the Slana Alaskans United. I'd like to comment
5 personally if I am allowed.

6 CHAIR WARING: Please go ahead, Mr. Riley.

7 MR. RILEY: Thank you. Mandatory boroughization and property
8 taxation of the unorganized areas of the state will destroy the non-Native
9 culture and the way of life in those areas. The tourist industry that pours
10 enormous amounts of cash into the state economy will decline dramatically due
11 to the closure of rural businesses. Political economic -- correction, the
12 local economies cannot possibly support a Borough government and survive.

13 As a small businessman myself, I would rather see a statewide sales tax,
14 income tax or specific school tax than the weight of money and time it takes
15 to operate an unnecessary layer of government. And if it is schools that are
16 truly the question, then the moneys raised by any new taxation method should
17 be earmarked specifically for schools and should be the burden of all
18 Alaskans on an equal basis, including Native Alaskans, as mandated in the
19 United States and State of Alaska constitutions.

20 I listening to the testimony today, it is obvious to me that the
21 majority of rural and small town residents, including Natives, of this state
22 who are the ones that truly give the state its unique character, are opposed
23 to the boroughization of their areas, and the subsequent destruction of the
24 one thing that makes Alaska unique, and that is their individual lifestyle.

1 In conclusion, the Local Boundary Commission report to the Legislature
2 should adequately reflect the extreme negative effect that mandatory
3 boroughization will eventually have on the statewide economy, and the
4 eventual total destruction of the culture of rural Alaska. Thank you.

5 CHAIR WARING: Thank you, Mr. Riley. Is there anyone else with
6 you there now who wanted to speak?

7 MR. RILEY: No, sir, there are not. Thank you very much.

8 CHAIR WARING: Thank you for taking the trouble to come back and
9 speak to us again. I believe Mayor Bourcy in Skagway was on line and wanted
10 to speak to the Commission?

11 MAYOR BOURCY: Yes, I am. Thank you.

12 CHAIR WARING: Welcome.

13 MAYOR BOURCY: I read over your draft report, and I had a comment
14 of things that I would like to see removed from Chapter 2. Chapter 2, page
15 16. There's a reference (indiscernible) considerations, and I was wondering
16 if it would be possible for you to expand on what those considerations are,
17 how they were formulated, how are they going to be applied? On page 26 you
18 reference the most recent borough incorporation proceeding, and are you
19 talking about the Skagway petition?

20 CHAIR WARING: Is there a line reference, Mayor Bourcy, that you
21 can give me?

22 MAYOR BOURCY: Starting line 9 on page 26.

23 CHAIR WARING: On Page 26?

1 MAYOR BOURCY: (Indiscernible).

2 CHAIR WARING: Of Chapter 2?

3 MAYOR BOURCY: (Indiscernible).

4 CHAIR WARING: Mayor Bourcy?

5 MAYOR BOURCY: Yes.

6 CHAIR WARING: Yeah, we've had some interference or
7 something.....

8 MAYOR BOURCY: Oh, okay.

9 CHAIR WARING:and we haven't been able to hear you for the
10 last minute or so. Let me make clear, we're on -- in Chapter 2 on page 26?

11 MAYOR BOURCY: That is correct. Again with line 9 through line
12 24. One of the questions I have, you -- the Commission is referring to the
13 most recent borough incorporation proceeding. Is that the Skagway petition?

14 (Whispered conversation)

15 CHAIR WARING: We're having trouble finding the reference at the
16 -- in our copy at the place where you're -- could you give me a section
17 heading reference? You know, this -- and.....

18 MAYOR BOURCY: It would be subpart A, the social, cultural and
19 economic side. I have it as page 26, and beginning at line 9.

20 CHAIR WARING: Yeah. I think what may have happened, sir, is you
21 got a -- sometimes the document prints out differently on different printers,
22 and.....

1 MAYOR BOURCY: Okay.

2 CHAIR WARING:your document doesn't seem to correspond with
3 the page and line numbering that we have. Would it be practical, Mayor
4 Bourcy for you to annotate and fax to us the -- you know, comments on the
5 parts of the text that you wanted to speak to us on?

6 MAYOR BOURCY: That would be possible, I suppose I could. All I
7 can go off is what I have in front of me.....

8 CHAIR WARING: Yeah, but if you.....

9 MAYOR BOURCY:(indiscernible - simultaneous speech)

10 CHAIR WARING:could actually.....

11 MR. BOCKHORST: Is this what he's got here?

12 CHAIR WARING: Let me ask -- yeah, let's go back to it. If you
13 could go to your coversheet, are you looking at the public review draft dated
14 1/24/03 of Chapter 2?

15 MAYOR BOURCY: I'm looking at the Borough Incorporation
16 Standards, Chapter 2.

17 CHAIR WARING: An earlier version?

18 MR. BOCKHORST: Probably it's an earlier version.

19 CHAIR WARING: Yeah.

20 MR. BOCKHORST: That's not what we sent out to people to
21 (indiscernible).

1 CHAIR WARING: Yeah. I think what our problem is, is that you
2 are looking at an earlier version, not the one that is the public review
3 draft that is now posted and part of the public review draft of the report as
4 a whole. We don't have that with us right now. We've got a later version
5 that has been posted and mailed out approximately two weeks ago of a revised
6 Chapter 2.

7 MAYOR BOURCY: Well, this is a draft report that I received.
8 Have you had it changed since then?

9 CHAIR WARING: Dan, can you clarify?

10 COMMISSIONER TESCHE: Start with the title, find out what the
11 title is and the date and page.

12 CHAIR WARING: Yeah. The date of your copy is not 1/23/03 --
13 1/24/03? It doesn't have that on the cover sheet?

14 MAYOR BOURCY: It does not. Yes, actually it does.

15 MR. BOCKHORST: This was a (indiscernible).

16 CHAIR WARING: Yeah, it could be changed. Page 23. Am I not
17 finding it?

18 MR. BOCKHORST: He said 26.

19 CHAIR WARING: Twenty-six. Am I simply.....

20 MR. BOCKHORST: I don't -- these are.....

21 COURT REPORTER: Yeah, it's page 26, line 9.....

22 CHAIR WARING: I'm on page 26, line 9.

1 COURT REPORTER:in Chapter 2. Is there a sub A?

2 MR. BOCKHORST: Page 26, line 9 doesn't say what he was saying it
3 says.

4 CHAIR WARING: Yeah, we're -- our trouble is that our copy of --
5 you know, at page 26, line 9, does not correspond with.....

6 MAYOR BOURCY: Okay. Well, I can get that (indiscernible) then I
7 guess. But I would like to express that -- you know, one of -- the sentence
8 you're using here is that in the most recent borough incorporation proceeding
9 the Commission considered the 10 factors in addition to those listed at 3 AAC
10 110.05. What I would like to know is that (indiscernible) is that the
11 Skagway petition?

12 CHAIR WARING: Do you.....

13 MR. BOCKHORST: I presume it is, because it's the last proceeding
14 we had, without having the material in front of me.

15 CHAIR WARING: We don't want to guess, you know. It's our
16 supposition, but, you know, until we can find it in the text, Mayor
17 Bourcy.....

18 COMMISSIONER TESCHE: No, the last (indiscernible).....

19 CHAIR WARING:the (indiscernible - simultaneous speech)
20 we're reluctant to.....

21 COMMISSIONER TESCHE:the last proceeding.

22 MR. BOCKHORST: He said the last borough incorporation
23 proceeding.

1 UNIDENTIFIED VOICE: Yeah, but that's not what.....

2 (Whispered conversation)

3 MAYOR BOURCY: Well, I am going to ask that.....

4 CHAIR WARING: Okay.

5 MAYOR BOURCY:any reference to the Skagway petition be
6 removed (indiscernible) borough incorporation standards draft, as that
7 process is still going on, and there are several references to
8 (indiscernible) in regards to that.

9 (Whispered conversation)

10 CHAIR WARING: We've got a copy now that is -- corresponds with
11 your copy, and let me just take a moment and look.

12 UNIDENTIFIED VOICE: That's about January 10th.

13 CHAIR WARING: Okay. And if I understand your comment, Mayor
14 Bourcy, you were requesting that the Commission delete the reference to any
15 borough incorporation proceeding?

16 MAYOR BOURCY: If it is this -- the Skagway proceeding that
17 you're talking about?

18 CHAIR WARING: That is the one that is being referenced I think
19 in this paragraph.

20 MAYOR BOURCY: Okay. What I would ask, that the Commission
21 remove lines 9 through 24. In addition to that, I would like -- it would be
22 on page 26, I would like the line 37.....

1 CHAIR WARING: Let's take it one at a time, because we've only
2 got one copy of your version with us, and we will just take note of your
3 comments right now and deal with them at a -- when the -- when all of us
4 can.....

5 (Whispered conversation)

6 CHAIR WARING: Yeah, it -- I do hate to impose on you, but I
7 think it would really assist us to make sure we are looking at the passages
8 that you have concern, if you would simply make a Xerox copy and fax to us
9 your comments on a copy page so that.....

10 COMMISSIONER TESCHE: Mr. Chairman, I think I can see precisely
11 what he's speaking to.

12 CHAIR WARING: Okay.

13 COMMISSIONER TESCHE: At about line 10.....

14 CHAIR WARING: Yeah.

15 COMMISSIONER TESCHE:there's a sentence where it says in
16 the most thorough incorporation proceeding, discussion of certain factors
17 considered, and then there's a list that goes all the way to line 24. Is
18 that correct, Mr. Mayor?

19 MAYOR BOURCY: That is correct.

20 COMMISSIONER TESCHE: Okay. And then there's -- the second
21 reference was to which lines of that same page 26?

22 MAYOR BOURCY: Line 37 through line 42.

1 COMMISSIONER TESCHE: Thirty-seven through 42. And if I
2 understand you correctly, you simply want to make sure that the draft does
3 not refer to the recent application?

4 MAYOR BOURCY: Right. That application is still -- you know,
5 it's in the process, and I don't think that that the reference to that should
6 be part of the borough incorporation.....

7 COMMISSIONER TESCHE: Yeah, we'll be happy to look at it.

8 MAYOR BOURCY: Those are the two areas on that page that I would
9 like to have addressed. On page 42 on that copy, line 24 to 35, I would like
10 to have that information removed as well, and that continues on with page 43,
11 page 44 and page 45.

12 CHAIR WARING: You are -- all the way through starting at those
13 two paragraphs at the bottom of page 42 through the bottom of page 45?

14 MAYOR BOURCY: Yes. And the reason I am asking for that is none
15 of the information in those pages has any relevance to borough incorporation
16 standards.

17 I would like to make a comment on the bottom of page 45.

18 COURT REPORTER: I have to change the tape.

19 CHAIR WARING: Mayor Bourcy, could you pause for a moment? We
20 need to change tapes.

21 MAYOR BOURCY: Okay.

22 COURT REPORTER: Okay.

23 CHAIR WARING: We're back on tape. Please continue.

1 MAYOR BOURCY: Okay. The reason that I'm asking for that
2 material to be removed is I don't think that it has any relevance to borough
3 incorporation standards. On the bottom of page 45 there is -- starting at
4 line 25 to line 29, there is a statement that says, the fact that there is no
5 clamor to change the boundaries of REAAs suggests to the Commission that
6 those advocating changing it or abandonment of a model borough boundaries are
7 more fundamentally opposed to borough government boundaries as embodied in
8 the Alaska (indiscernible) rather than just how borough boundaries
9 (indiscernible). I find that a total assumption on the part of the
10 Commission. I don't believe the Commission has approached communities and
11 even addressed whether or not that assumption can be made. I think it needs
12 to be removed.

13 (Whispered conversation)

14 CHAIR WARING: Are there more comments?

15 MAYOR BOURCY: Yes. On page 49 you refer to the Lynn Canal model
16 borough boundary (indiscernible) that model borough. Line 25 you have
17 Skagway in the Lynn Canal model borough. I would ask you either (a) remove
18 that, or (b) put a footnote that would say that Skagway and the Community of
19 Dyea have been totally opposed to the newly named Lynn Canal model borough
20 boundary since the inception of the borough (indiscernible). I think that
21 needs.....

22 CHAIR WARING: Your comment's noted. Additional?

23 MAYOR BOURCY: Yes. This draft document refers to multiple times
24 to the Commission views this or views that. Is that the status now, did the
25 Commission already agree to those things, or are we agreeing to that draft?
26 Do you adopt that as the Commission view?

1 CHAIR WARING: You were breaking up for a moment there, and I
2 didn't catch fully that -- your question, Mayor Bourcy.

3 MAYOR BOURCY: There's numerous references in this draft document
4 to the Commission's view, and I would, number 1, like some clarification, has
5 the Commission -- is this draft document or are these references things that
6 have already happened, or if by adopting this draft document you are
7 accepting those as Commission views?

8 CHAIR WARING: This is a review draft that is not a final
9 document. It was prepared, you know, under the Commission's guidance by
10 staff and for the Commission, and it will not be final until we approve it
11 for forwarding to the Legislature.

12 MAYOR BOURCY: So any reference to Commission views at this point
13 is a staff position and not necessarily the position of the Commission?

14 COMMISSIONER TESCHE: Mr. Chairman?

15 CHAIR WARING: Commissioner Tesche.

16 COMMISSIONER TESCHE: I think we have to emphasize for the
17 benefit of the mayor that this is a draft document. There may be statements,
18 particularly historic statements in the draft document that describe official
19 actions of the Commission that are already matters of public record. On the
20 other hand, there are certainly a number of statements in this draft document
21 that are attributed to the Commission, but have not yet been made by the
22 Commission, because this is a draft document. We are literally in the
23 process here today of receiving public testimony and evaluating this draft
24 document for the purposes of deciding whether to forward this document or an
25 amended version of it to the Legislature. We're going to meet again I think

1 early next week to actually put this together and come up with our final
2 version, so statements in the document that purport to come from the
3 Commission which are new, are only draft statements and have not yet been
4 adopted formally by the Commission. But when you see the final document, it
5 will be a statement of the Commission once it's issue. That should clarify
6 the situation?

7 MAYOR BOURCY: Yes. And that is how I understand this document
8 to be, so.....

9 COMMISSIONER TESCHE: Now, if you have any other statements or
10 anything in writing that you would like us to consider, I'm -- I for one
11 would be very willing to look at those by the 14th.

12 MAYOR BOURCY: That is fine. What I'm asking the Commission to
13 do is in reviewing this draft document, the Commission needs to be very aware
14 that, you know, you are being put out here as these are your views, and you
15 guys need to deal with these items each in their own right, and it is
16 scattered throughout the entire document, so, you know, if you are going to
17 adopt (indiscernible), I think the Commission needs to be extremely aware of
18 what they're adopting rather than just something that was written by staff.

19 COMMISSIONER TESCHE: Well, you should be assured that I've
20 already gone through two red pens today going through this staff draft, so
21 you're right on point with exactly what we're doing, Mr. Mayor.

22 CHAIR WARING: And I have -- this is Commissioner Waring, have
23 already gone through a couple of red pens before today, so it is not as if
24 this document is being prepared without Commission oversight or Commission
25 guidance or Commission review. And it is as Commissioner Tesche ably said
26 not the official voice of the Commission until we have approved it, and we

1 will be recessing and reconvening on -- at 9:00 o'clock on Tuesday for the
2 Commission's own work session on the document. That will not be a public
3 hearing to receive comment, but it will be the Commission at work to hash out
4 what we finally do want to forward as our report to the Legislature.

5 COMMISSIONER HARCHAREK: Mr. Chairman.

6 MAYOR BOURCY: Thank you. I.....

7 CHAIR WARING: Commissioner Harcharek.

8 COMMISSIONER HARCHAREK: I thank Mayor Bourcy for what he's just
9 presented. That present -- that allows me not to have to present it, because
10 they were some of the objections that I brought out, because I was the one
11 that had the copy of that draft version, and I did also take objection to the
12 first three items you had stated. By the time you got to the fourth one, you
13 lost me. But the first three, I concur with you that they should not be in
14 that document. And they're not as far as I can tell.

15 CHAIR WARING: Did you have more for us, Mayor Bourcy?

16 MAYOR BOURCY: No, I thank you guys for the time, I know this is
17 a big task. I wish you luck. I know this is not a fun process, so -- do you
18 want me to fax that information to you?

19 CHAIR WARING: That would be welcome. That would make sure we
20 have got it all and got it accurately. We think we've got notes here, but I
21 would appreciate a chance to just double check that we know precisely what it
22 was. If you would just make a Xerox of the pages that are of concern and
23 annotate them so that we know clearly what it was that you wanted the
24 Commission to consider.

1 MAYOR BOURCY: Okay. Would you like the reference to that
2 document then?

3 CHAIR WARING: Pardon me?

4 MAYOR BOURCY: Would you like me to go get the new document and
5 then use those reference lines?

6 CHAIR WARING: If you could just fax that, as I say, a Xerox copy
7 of what you have, we will be able to track it back to the right place and the
8 right text I think. And, Dan, could you give us the Xerox (sic) number
9 again?

10 MR. BOCKHORST: Fax number.

11 CHAIR WARING: Fax number. Did I say Xerox? Fax number.

12 MR. BOCKHORST: 269-4539.

13 CHAIR WARING: And if you could do that by Monday, that would be
14 most helpful, because actually it is on Tuesday that we will be having our
15 work session to -- and perhaps make final approval on the doc -- of the
16 document.

17 MAYOR BOURCY: Okay.

18 CHAIR WARING: Thank you very much.

19 MAYOR BOURCY: Thank you.

20 CHAIR WARING: Do we have any other live bodies?

21 MR. MARUNDE: Hello, this is Tok.

22 CHAIR WARING: Yes.

1 MR. MARUNDE: Yeah, this is Glen Marunde. I testified much
2 earlier.....

3 CHAIR WARING: Yes.

4 MR. MARUNDE:to these hearings, and I'd like to let the
5 people know that recently I've started a web page called a Voice for the
6 Bush. I would like to read the masthead, and then with your permission, if
7 it appears satisfactory, give the web site address for it. It's a non-
8 profit.....

9 CHAIR WARING: Proceed.

10 MR. MARUNDE:and I totally support it out of my own pocket.

11 CHAIR WARING: Proceed.

12 MR. MARUNDE: A web page created to bring awareness of
13 legislative activities that affect the everyday lives of Alaskans who live in
14 the unorganized borough. This web site is intended to be a common billboard
15 and clearing house for commentary and opinion expressed by any and all
16 residents of the unorganized borough. And it's been on-line for about three
17 days, and in the web -- in the masthead is my e-mail address. That won't be
18 up and running until about Monday, but (indiscernible) would it be proper for
19 me to give you that address?

20 COMMISSIONER TESCHE: Please.

21 CHAIR WARING: Please do, this is democracy in operation.

22 MR. MARUNDE: And by the way, you fellows are invited to be on
23 that web page, too. So it's called avoiceforthebush, that's all lower case,
24 one word, dot-com. avoiceforthebush.com.

1 CHAIR WARING: Thank you, Mr. Marunde.

2 MR. MARUNDE: Thank you.

3 CHAIR WARING: Okay. One last call, is there anyone else
4 listening who wanted to speak to the Commission? Then we will con -- hearing
5 none, we will conclude our public hearing on the public review draft and let
6 me just take time to take stock with the Commission of what we want to do at
7 this point. Do we have some options? We know we will meet on Tuesday
8 morning. Pardon me? Yes, let's keep this part of the record. On Tuesday
9 morning rather at nine. For Dan's sake, because they are even now formatting
10 and getting prepared the final document, and Dan is confident that if we can
11 provide him, you know, revisions, that they can be made in time to make sure
12 we've got a completed document to forward to the Legislature. But my first
13 thought would be that the best way for us to proceed would be for, you know,
14 us to have either, you know, red line copies like -- as we do with the
15 compare function on the word processor, but something that we can share
16 around and easily tick off for Dan and make it easy for him to make the
17 changes. Is that practical for you, Bob?

18 COMMISSIONER HARCHAREK: Yes, it would work, yeah.

19 CHAIR WARING: Pardon me?

20 COMMISSIONER HARCHAREK: On a -- using PDF file.

21 CHAIR WARING: Well, he didn't -- no, I think we've also been --
22 didn't you send us also a word document?

23 MR. BOCKHORST: I've offered that.

24 CHAIR WARING: Yeah.

1 MR. BOCKHORST: You know, I can.....

2 CHAIR WARING: Okay.

3 MR. BOCKHORST: I mean, the PDF was sent to the Commission on the
4 24th.

5 CHAIR WARING: Okay. Do we have Word?

6 MR. BOCKHORST: Yes. Oh, yes.

7 CHAIR WARING: Yeah. Well, with a Word copy, my thought was that
8 if we had word copies, then we could.....

9 MR. BOCKHORST: To track.....

10 CHAIR WARING:share them around.

11 MR. BOCKHORST: To track changes.

12 CHAIR WARING: Pardon me?

13 MR. BOCKHORST: Track changes.

14 CHAIR WARING: Track changes. The track changes feature. Is
15 that a pract -- Allan?

16 COMMISSIONER TESCHE: You know, today during the meeting
17 I've.....

18 CHAIR WARING: I noticed you've been busy.

19 COMMISSIONER TESCHE:made a number of what I would consider
20 to be very minor stylistic changes.

21 CHAIR WARING: Uh-huh.

1 COMMISSIONER TESCHE: Sort of edits rather than policies, which I
2 would feel perfectly content to simply give this to Dan and if he thinks any
3 of these are of benefit, fine. If not, I don't want to change the report or
4 the substance. And I'm sure that Dan can exercise his discretion if I've
5 said or recommended something that rises to a policy level, and if the
6 Commission has time to discuss that, we could, but I'd just as soon give him
7 the stuff directly and let him have it. Is that.....

8 CHAIR WARING: That would certainly be agreeable with me. I
9 don't think we have time, nor need to concern ourselves with that sort of
10 thing.

11 COMMISSIONER TESCHE: All right.

12 CHAIR WARING: I trust Dan if that's the shared sentiment of the
13 Commission.

14 MR. BOCKHORST: Mr. Chairman, what I could do is certainly with
15 you as oversight, I could provide you with a copy of these comments, and you
16 could look at them independently so that.....

17 CHAIR WARING: I -- well.....

18 MR. BOCKHORST:concerns such as we need to express.....

19 CHAIR WARING: If they're nonsubstantive, I know that you and
20 staff along the line are always catching and fixing things, and I would trust
21 that you would use good judgment in making those changes, and reserve the
22 Commission to discuss, you know, the substantive issues, and make sure that
23 we get those right, and those are the things I think we are more concerned to
24 verify. So if -- actually, Allan, if you would just give that to Dan, and we
25 can ruin Dan's weekend, never mind wait 'til Monday.

1 COMMISSIONER TESCHE: And if he doesn't have time to do it,
2 that's fine, because I don't need to see it again.

3 CHAIR WARING: The other, you know, larger question, and
4 obviously we're not prepared to make any decisions on it now, but if there
5 are any policy issues of significance that we anticipate discussion, and
6 anybody would want to, you know, forewarn us of those. I think it would help
7 getting thought done in the meantime.

8 COMMISSIONER TESCHE: I can make one of those, and I don't
9 know.....

10 CHAIR WARING: Uh-huh.

11 COMMISSIONER TESCHE:how far you would permit me to go into
12 that right, or I can at least identify the issues.

13 CHAIR WARING: I think it would be helpful just to know that you
14 will be wanting.....

15 COMMISSIONER TESCHE: Yeah.

16 CHAIR WARING:to at least think about proposing some
17 alternative or some possible change, and.....

18 COMMISSIONER TESCHE: I guess only to think about, the discussion
19 draft that we have before us speaks in one section I think rather strongly
20 showing how the Legislature has not over time, or at least past Legislatures
21 have not thoroughly considered adopting standards that would promote the
22 formation of new boroughs, and I think that.....

23 CHAIR WARING: Unorganized boroughs, yeah.

1 COMMISSIONER TESCHE: Yeah. I think that we may want to look at
2 that very carefully to make sure that it cannot be misinterpreted as
3 suggesting some sort of change in the formation of unorganized boroughs
4 unless we have a very specific point. My concern is while I do agree that a
5 single unorganized borough is probably not what the framers intended, because
6 the single unorganized borough that we've got has some, what is it, 35
7 different communities in there or something like that. What are we proposing
8 by way of standards governing the unorganized borough if we are not proposing
9 standards that help the State go to organized boroughs? And I think the
10 document that we submit to the Legislature should be very clear as to why we
11 are critical of past Legislatures' failures to deal with the unorganized
12 borough. I mean, what is the point of that criticism is well taken I think,
13 but where are we going with that is kind of the issue.

14 CHAIR WARING: I'm glad you brought it up. This is the item that
15 Dan sent a special e-mail around, because I thought it was a momentous thing
16 to be saying, and that we ought to reflect on it. It does have implications
17 of, among others, that if not organized boroughs, the Legislature should
18 instead of one single, proceed to multiple unorganized borough according to
19 standards, but you could take it a couple of ways.

20 COMMISSIONER TESCHE: But what's -- I guess a question there is -
21 - I guess the question there is, so what? I mean, we can say that there
22 shall be, as I think the Constitution says, there shall be more than one
23 unorganized borough. Well, unless you're going to do something with that,
24 i.e., tax or regulate, why bother, at least is sort of the contrary argument.
25 I mean, where would we want to lead the Legislature with that kind of a
26 recommendation?

1 CHAIR WARING: Okay. We are on notice about that one, and we'll
2 deal with it on Tuesday. I think we need to.

3 COMMISSIONER TESCHE: I guess I would like to hear, you know,
4 some comment on that, because I think the brief makes that point, I just want
5 to know where we're -- you know, where we're headed with that.

6 COMMISSIONER HARCHAREK: I concur.

7 CHAIR WARING: Bob.

8 COMMISSIONER HARCHAREK: I concur with Allan, because when I read
9 that, so what? I mean, what -- we're not providing any answers, we're not
10 providing any possible direction. And another example is Prince of Wales
11 Island. The more I read about it, the more I hear, it's viably --
12 economically not viable for a borough formation, but those four school
13 districts on Prince of Wales Island where they're spending \$12 million
14 approximately for 1,170 students, and then you look for -- you look at --
15 what's real interesting, and the only reason I do this is I'm on a school
16 board, and on a state school board and stuff, is look at their cost per
17 student, which is one figure, and if I remember correctly -- actually let me
18 just flip to that page. If I rememb -- the cost per students range from
19 8,000 bucks per student in Craig to 14,000 bucks to Hydaburg. But they do
20 not take into consideration, and this is a part of where I could see the
21 Legislature at fault as well as the Department of Education, they do not take
22 into consideration the total expenditures of the school district, which are
23 basically \$12 million, and if you take that \$12 million and divide it by the
24 number of students, every one of those students, cost per student is
25 increased by 3,000 -- each one of those school districts is in excess of
26 \$3,600,000 spent that is never figured into the revenue that comes from the

1 State or comes from the district. There's a hell of a lot of money being
2 just thrown around there. That comes to \$120,000 more per student that is
3 not calculated.

4 And you hit it right on the nose when you asked that question for
5 superintendent salaries, for business office salaries, for director of
6 curriculum salaries and right down the line.

7 COMMISSIONER TESCHE: Uh-huh.

8 COMMISSIONER HARCHAREK: It's efficiency of scale that's not
9 considered. But I think, you know, as a parcel -- if Senator Wilkins is
10 really interested in finding equity in educational funding, that would reduce
11 the State's burden, it would probably reduce the.....

12 COMMISSIONER TESCHE: Yeah. Yeah.

13 COMMISSIONER HARCHAREK:district's burden, right down the
14 line. And that's just one. That's the only one school district I've played
15 with, because -- and I have colleagues in Craig and they're sharing school
16 districts. And we need to address it.

17 Another one, I think we needed to -- I've got two more. Caveat some
18 place in there. We kept hearing about the salaries, cost of living,
19 unemployment, and I'm sure that Jean and staff took them from DCED
20 documentation based on the federal census. What is -- the federal census
21 only -- and these figures are not done from the over-all census where
22 everybody is. They're the one out of six surveys that they hand out. And
23 the response rate was totally atrocious. In rural Alaska, the response rate
24 was 43 percent. That is pathetic. That is the worst census recovery we've
25 ever had in the State of Alaska.

1 CHAIR WARING: Actually, for the sample questionnaire, that's the
2 highest. It used to be as low as 17 percent.

3 COMMISSIONER HARCHAREK: Yeah, and the.....

4 CHAIR WARING: And it was useless information then.

5 COMMISSIONER HARCHAREK: And, see, it's still useless. And when
6 you've got -- you know, when they were slamming you about one person owning
7 the bed and breakfast, the bar and the restaurant and so on and so forth, I
8 know where that information comes from. It comes from the state business
9 license. You have to have a state business license for each of those
10 activities. And so, you know, and I keep talking -- Greg Williams, the state
11 demographer, and I keep going at it, because he'll call me up and say, hey,
12 these figures are wrong, what can you do to help us? And this is just in the
13 North Slope Borough, you know, there's real problems in relying on that. So
14 I think some place in there we've got to put a caveat that -- because the
15 Legislature's going to take it, I hate to say this, as the Bible, as the word
16 of God or the word of law, whatever that census figures are, and they're not.
17 That's why we're conducting our own right now, because we're challenging
18 right across the board, the per capita income, household income and so on.

19 And the last one I have, and again it's just something to think about,
20 where is it? No, that's it. But I would like a copy of the transmittal
21 letter that goes with this.

22 COMMISSIONER TESCHE: Mr. Chairman, yeah, another kind of general
23 area to look at is the -- there's just this fascinating section in the report
24 that argues that the Commission on its own has the power, if I understand
25 this correctly, to bring about the incorporation or propose for legislative

1 review the incorporation of new local governments. Now, if I understand that
2 section correctly, the Commission has never purported to exercise that power.

3 COMMISSIONER HARCHAREK: That's correct.

4 COMMISSIONER TESCHE: But if you accept what is stated in that
5 section, we do have that power. My question is this, why are we including
6 that analysis in the report, and what is going to be the reaction of the
7 Legislature to that?

8 CHAIR WARING: Yes.

9 COMMISSIONER TESCHE: Is that a suggestion to the Legislature
10 that perhaps we revive, what was that, Senate Bill 54?

11 CHAIR WARING: 50 -- 48, yeah.

12 COMMISSIONER TESCHE: 48. I mean, I think we need to think very
13 carefully. The original direction as I understood it from the Legislature,
14 and maybe I'm looking at it too narrowly, is provide them with a list of
15 areas, and an analysis of areas that could be formed into boroughs for
16 whatever direct action the Legislature might consider. I guess I would
17 comment that the inclusion of such extensive argument, although I think it's
18 well placed, on that particular issue is the Commission's powers might be
19 understood or perhaps misunderstood as a recommendation or a policy statement
20 by this Commission as to the -- that direction that we would want to take.
21 Now, if the Commission wants to pursue that again, that's something I suppose
22 we can discuss. As I recall, did we not as a Commission support SB 48?

23 CHAIR WARING: We did, and.....

1 COMMISSIONER TESCHE: So it's not inconsistent. I mean, it's not
2 inconsistent with previous action the Commission took, but do we want to do
3 that right now? I don't know in the context of this particular bill. I
4 simply raise that as a consideration for us to make right now. Is that
5 responsive to Senator Wilken's bill?

6 CHAIR WARING: It's my understanding that your question is about
7 the judiciousness of saying.....

8 COMMISSIONER TESCHE: Yes, the timing.

9 CHAIR WARING:certain things at this moment.

10 COMMISSIONER TESCHE: Even though it represents, and I clearly --
11 you know, it represents prior Commission policy on that issue.

12 CHAIR WARING: Yeah. And to rehearse some history, I think we
13 had some awareness at the time we were developing a draft or the proposed
14 Senate Bill 48 that was eventually introduced that while the Commission may
15 have had this latent authority all along, it perhaps was imprudent to ever
16 attempt to exercise it without legislative direction. That is, we would be
17 off the reservation if anybody would accept or find acceptable were we to
18 take that initiative. And so we'll do it, but you've got to tell us, and
19 not.....

20 COMMISSIONER HARCHAREK: Mr. Chairman, I think I have to agree
21 with Commissioner Tesche. I think we ought to delete any reference to that
22 authority in this report, mainly because it can be misconstrued and give the
23 Legislature ammunition to force us into that situation, which I don't want to
24 be in, because I'm totally opposed to mandatory borough formation.

1 But, there's -- the other thing that Mayor Dorsey (ph) brought up, I
2 was getting -- that was the other area that really bothered me is -- and the
3 Commission's position or the Commission has done this or we have not.
4 There's a number of those statements in there. I think they're after page 47
5 and 48. I read this thing. I had nothing else to do in the hospital when
6 Jean brought that to me. We have not taken those positions. We have not
7 made those statements. Like these first 10 things, and I objected to them
8 when they were brought up, and I would object to them if they're in the final
9 version of this report. They're just not the consensus. It may have been
10 the consensus of some previous board members, Commission members, but it
11 doesn't fit with where I feel my position is, and when Commissioner Tesche
12 brought this last one up, it was, which is true, the other thing I added -- I
13 said there were three, and that's really the third one I had in mind is there
14 were -- I want -- the original 10, one -- that's why I said I want to see the
15 letter of transmittal that went with this, because I want to see that we
16 remain totally neutral, and are not put in a position where we can used as
17 the gun or the ammunition for the Legislature to use, because I don't think
18 that was our mandate.

19 COMMISSIONER TESCHE: I think to elaborate on that a little bit.
20 I, since I'm been in Alaska, have been a little bit concerned about the 1964
21 Mandatory Boroughs Act, feeling that that probably went too far in terms of
22 establishing local governments. Granted there's arguments at the time that
23 that was the only thing the Legislature could do, and I don't know that I
24 want to necessarily be seen as completely endorsing that particular solution
25 Now, if the Legislature chooses to exercise what, you know, the power that
26 apparently it has, that's up to the Legislature, and this effort here by the
27 Commission in my view should simply be to comply with the dictate of the
28 Legislature, provide them with the information in as professional and as

1 complete a manner as they see fit. And then whatever the Legislature does,
2 and whatever response that generates from communities affected, that's an
3 issue between those communities and the Legislature. If the Legislature
4 chooses to proceed with another Mandatory Boroughs Act, well, that's
5 something the Legislature will elect to do, but I'm not necessarily
6 advocating that there be at this time in connection with this effort some
7 additional initiative by the Commission to get involved in this process. It
8 sounded like we provided I think an excellent recommendation to the
9 Legislature a couple years ago. For various reasons that did not go. I
10 think those reasons are still in the Legislature, and it's not going to go.
11 That's on hold at this time. The Legislature's now chosen a different
12 approach. Let's give them that information, but let the Legislature deal
13 with that information as they see fit.

14 CHAIR WARING: Okay. Thanks (indiscernible).

15 COMMISSIONER LYNCH: Commissioner Waring?

16 CHAIR WARING: Who is speaking?

17 COMMISSIONER LYNCH: Commissioner Lynch.

18 CHAIR WARING: Oh, welcome.

19 UNIDENTIFIED VOICE: She survived.

20 COMMISSIONER LYNCH: I'm still here. I only have a bad echo.
21 What would help me a lot before our discussion on Tuesday is if other
22 Commissioners could maybe cross reference where in the report they would make
23 changes regarding these concerns? Because I think these concerns are very
24 valid, and I would like the opportunity to review those portions of the
25 report before our discussion on Tuesday morning.

1 CHAIR WARING: That's the discussion we're having, and what was
2 in my mind was this, that if there are big chunks where there are policy
3 discussions or issues discussed, especially Chapter 1 has been a topic for
4 the moment here, and parts of Chapter 2, that we just make sure we've all got
5 notice of what they are. If, Allan, you could make -- you know, just send us
6 through Dan an e-mail that said you wanted, you know, to have these up for
7 consideration, or Bob, and.....

8 COMMISSIONER TESCHE: Yeah, I could.....

9 CHAIR WARING:we know the ones that.....

10 COMMISSIONER TESCHE: Yeah, I could probably synthesize my
11 remarks in a way that could be distributed by e-mail if that's.....

12 CHAIR WARING: Just so we can all go to the right.....

13 COMMISSIONER TESCHE: Sure.

14 CHAIR WARING:you know, the right parts of the text.

15 COMMISSIONER TESCHE: Sure.

16 COMMISSIONER HARCHAREK: My problem is I don't know which part of
17 the text I need to go to.

18 CHAIR WARING: Well, you should have.....

19 COMMISSIONER HARCHAREK: I don't have the final version.

20 MR. BOCKHORST: Well, you have.....

21 CHAIR WARING: Will you give Bob.....

22 MR. BOCKHORST:you have the.....

1 CHAIR WARING: Bob had the previous round or.....

2 COMMISSIONER HARCHAREK: Yeah, and that's what I've been working
3 on.

4 MR. BOCKHORST: Were you not provided the.....

5 CHAIR WARING: Well, we'll just get Bob the.....

6 COMMISSIONER HARCHAREK: That's why I had this.....

7 CHAIR WARING:most current so he can transfer over.....

8 COMMISSIONER HARCHAREK: That's why I said, is -- because I have
9 an old one.....

10 MR. BOCKHORST: Yeah.

11 COMMISSIONER HARCHAREK:that I had fun with in hospital.

12 CHAIR WARING: Ardith, we were -- I'm not sure what point you
13 came in on our discussion. We were just thinking to put on the table now any
14 major areas of concern that any Commissioner would, you know, would
15 anticipate we would discuss on Tuesday, just to give us a little something to
16 think on in the interim rather than be hitting with it fresh on Tuesday
17 morning. If there are any -- I've got one myself, but if there are any that
18 you, too, wanted to mention, Allan has mentioned some, Bob has, please speak.

19 COMMISSIONER LYNCH: If there are, I will circulate an e-mail
20 either tomorrow or early on Monday.

21 CHAIR WARING: That would be great. And we've also decided that,
22 you know, the editorial kind of comments, we will just pass them on to Dan

1 and let him take of and not worry about that, but just focus on the -- you
2 know, the policy issues, and the major findings.

3 There's one that I am thinking on. I kind of spoke about it at our
4 last meeting and continue to think on.....

5 COURT REPORTER: I'm almost out of tape.

6 CHAIR WARING: Pardon me?

7 COURT REPORTER: We're almost out tape.

8 COMMISSIONER TESCHE: I've got more tape here.

9 CHAIR WARING: I'm going to stop for a moment, we need to replace
10 a tape.

11 (Off record)

12 (On record)

13 CHAIR WARING: The staff here has done a marvelous job of
14 handling all the logistics, mechanics of transcription.....

15 COMMISSIONER TESCHE: Could someone tell me how many places.....

16 CHAIR WARING:and telecommunications.

17 COMMISSIONER TESCHE:testified today?

18 CHAIR WARING: We had probably about 20.

19 UNIDENTIFIED VOICE: No, we had more than that.

20 COMMISSIONER TESCHE: Oh, I think it was more than that.

1 CHAIR WARING: Well, I think it worked with all of it.

2 (Off record comments)

3 CHAIR WARING: I was starting to say that I'm continuing to look
4 at the facts. And we heard quite bit more comment today on the Glacier Bay,
5 Chatham, Kake area with testimony from Pelican and Kake and Ms. Davis and
6 other communities. And I'm thinking on what is the best configuration for
7 borough government. It seems touch and go or fairly close to the edge at
8 least in terms of economic feasibility. There might be some -- given the
9 populations we are talking about which are small in school enrollments.
10 There might be more viable configurations than the ones we are working with
11 the model borough, either consolidations or rearrangements. We had some
12 proposed today to us by Pelican, by Kake. And so I think I would like
13 forewarn you that I may want to discuss not feasibility of borough so much as
14 the configuration of the borough boundary jurisdictions, for that now to do
15 model borough boundary area.

16 That I share the concern, some of these other concerns that Allan, you
17 and Bob have brought up and I'll look at those, too. Any more? Dan, is
18 there anything you can tell us that will make your life -- probably nothing
19 we can tell you that will make your life easier. Every time we open our
20 mouths it makes your life harder. Dan is.....

21 UNIDENTIFIED VOICE: (Indiscernible).

22 COMMISSIONER TESCHE: The record will reflect that we've rendered
23 our staff speechless. We have nothing further.

24 CHAIR WARING: Well then, we please will share notes around, e-
25 mail notes around through Dan. If there's any language of stuff to be put in

1 addition that sure would be good, that is chunks of text like an additional
2 recommendation, I would provide that, for example, if I thought I wanted to
3 proceed with it.

4 COMMISSIONER HARCHAREK: By the time staff gets done with that
5 are you going to be able to take him to Arizona with you for vacation or
6 something?

7 CHAIR WARING: I'm leaving that behind. I am coming back though
8 for the Legislature.....

9 COMMISSIONER HARCHAREK: Tuesday morning we'll meet in your
10 office?

11 CHAIR WARING: Yes, we will meet at the Department
12 conference.....

13 COMMISSIONER HARCHAREK: Tuesday morning at your office.

14 MR. BOCKHORST: Mr. Chairman, I just would urge you to stress at
15 this point in time that the meeting is being recessed as opposed to.....

16 CHAIR WARING: Oh, did I say adjourned.

17 MR. BOCKHORST: I just want to make sure that we're very clear.

18 CHAIR WARING: Thank you. We are -- if there are no further
19 comments from Commissioners, before we will recess then to 9:00 o'clock on
20 Tuesday at the Department's conference room on the 17th floor, is that it?
21 So we are recessed.....

22 MR. BOCKHORST: Mr. Chairman, could I just ask for clarification
23 in terms of what, if any, opportunities you wish to offer the public for

1 teleconference, and understand that given this circumstance that we're using
2 the LIO offices, I don't know whether they would be available. If they need
3 to be used for legislative purposes they wouldn't be available to us here
4 so.....

5 CHAIR WARING: Well, my expectation of Tuesday is that it's the
6 Commission's work session. We're done with taking public comment. We can
7 certainly hook up anyone who would want to listen.

8 MR. BOCKHORST: If we can. I mean, again, we have -- there are
9 logistics -- I mean if this LIO network is unavailable there may be other
10 constraints, but we will do our best. People can contact us at the office
11 number that.....

12 CHAIR WARING: What's the practical problem? We can only have so
13 many people at once listening in on the.....

14 MR. BOCKHORST: Well, on certain networks, yes, we can. This one
15 has a tremendous capacity, 46 different sites. And.....

16 CHAIR WARING: How many do we have at the.....

17 MR. BOCKHORST: It depends on what their other commitments are,
18 GCI or ACS, they.....

19 CHAIR WARING: And can we tolerate leaving you go check and.....

20 MR. BOCKHORST: We'll do the best we can.

21 CHAIR WARING: we will recess and reconvene either place
22 depending on what -- which works best for us. Then we are recessed.

23 (END OF PROCEEDINGS)

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C E R T I F I C A T E

UNITED STATES OF AMERICA)

) ss.

STATE OF ALASKA)

I, Rebecca Nelms, Notary Public in and for the State of Alaska, and
Reporter for R & R Court Reporters, Inc., do hereby certify:

THAT the foregoing TRANSCRIPT OF LOCAL BOUNDARY COMMISSION PUBLIC
HEARING ON UNORGANIZED BOUNDARY REVIEW was taken by Suzan Olson on the 8th
day of February, 2003, commencing at the hour of 9:00 o'clock a.m. at the LIO
Office in Anchorage, Alaska;

THAT this Transcript, as heretofore annexed, is a true and correct
transcription of the proceedings taken by Suzan Olson and transcribed by
Meredith Downing, Wanda Ventres, Lynn Hall and myself.

THAT I am not a relative, employee or attorney of any of the parties,
nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal
this 14th day of February, 2003.

Notary Public in and for Alaska

My Commission Expires: 10/10/06

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